
IN THE
District Court of the United States

DISTRICT OF NEW JERSEY.

UNITED STATES OF AMERICA

VS.

COLGATE & COMPANY.

INDICTMENT.

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DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA,
Plaintiff,

vs.

COLGATE & COMPANY,
Defendant.

Indictment.

The grand jurors of the United States of America, duly impaneled, sworn and charged to inquire in and for the District of New Jersey, and so inquiring, upon their oaths, do find and present as follows:

Colgate & Company (the defendant) is a corporation organized under the laws of the State of New Jersey. Its general offices, factories, and salesroom, are at Jersey City in said State. It is there engaged in producing laundry soap, and in selling and shipping such soap to about 2500 jobbers and wholesale dealers throughout the United States. The said jobbers and wholesale dealers resell and reship the soap purchased by them from the defendant to retail dealers both within and without the respective States in which the jobbers and wholesale dealers do business. The retail dealers in turn resell and redeliver such soap to the consuming public throughout the United States. The above-described sales and resales, shipments and reshipments, of the soap produced by the defendant constitute trade and commerce among the several States of the United States. For the purposes

of conducting and controlling such interstate commerce the defendant employs about 27 so-called selling agents, each in charge of a different region, with an aggregate force of about 75 salesmen, who secure orders from the retail dealers, distribute these to the various wholesale dealers and jobbers, and exercise supervision over the resales from the latter to the retail dealers.

Prior to, and until, October 23, 1916, the said jobbers and wholesale dealers competed with one another in reselling the soap produced by the defendant to retail dealers, and each determined his own resale prices for such soap, and many resold such soap at lower prices than others, and accepted low and moderate profits on such resales.

From the month of October, 1916, and continuously thereafter, and within the period of three years immediately preceding this indictment, in the said District of New Jersey and throughout the United States, the defendant, Colgate & Company, knowingly and unlawfully created and engaged in a combination with the said wholesale dealers and jobbers throughout the United States to whom it sold and shipped its soap, to suppress competition amongst the said wholesale dealers and jobbers in reselling such soap to the retail dealers, and to procure adherence on the part of such wholesale dealers and jobbers to uniform and enhanced resale prices in making such sales to the retail dealers, in restraint of the above-described trade and commerce among the several States, in violation of the Act of Congress of July 2, 1890, entitled "An Act to protect trade and commerce against unlawful restraints and monopolies," by means of publishing and distributing amongst the wholesale dealers and jobbers lists of resale prices to be observed in reselling such soap to the retail dealers; by urging all wholesale dealers and jobbers to adhere to such resale prices; by threatening not to sell to wholesale dealers and jobbers who did not so adhere; by procuring agreements, written, oral and tacit, from the wholesale dealers and jobbers that they would adhere to such resale prices in consideration of being furnished with defendant's soap; and by furnishing such soap to such wholesale dealers and jobbers in consideration of such agreements;—more particularly by the following means:

1. Sending out, in October, 1916, from the defendant's gen-

eral offices at Jersey City, to the wholesale dealers and jobbers throughout the country, the following notices of an advance in the defendant's prices to the wholesale dealers and jobbers, and of prescribed resale prices which they should adhere to:

(Letterhead of Colgate & Co.)

October 23, 1916.

IMPORTANT NOTICE TO THE WHOLESALE TRADE

We beg to advise that we have this day advanced the price of OCTAGON SOAP, OCTAGON SOAP POWDER, OCTAGON SCOURING CLEANSER, BEE SOAP and WHITE FLOATING SOAP as follows:

Octagon Soap.....	\$4.00 per box	} Less 5% instead of 10% as heretofore
Octagon Soap Powder...	2.00 " "	
Octagon Scouring Cleanser	2.00 " "	
Bee Soap.....	4.00 " "	
White Floating Soap 100c	4.00 " "	
White Floating Soap 50c	2.00 " "	
Selling prices to trade—Less than 5 boxes		\$4.10 per box
5 boxes or over		4.00 per box

Yours very truly,

COLGATE & Co.

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and the following instructions to the selling agents that the defendant desired to induce the jobbers and wholesale dealers to take as large profits as they were willing to take, and that the selling agents should induce them to cooperate in enhancing the prices:

We are desirous of the jobbers securing as large a profit as they are actually willing to take and the above figures have been decided upon as being very decidedly better profit for the jobber than they have been getting for our goods. With these new prices going into effect we intend to watch very closely to see that the selling price of \$4.00 is maintained. We will consider any jobbers who sell our soap in any quantity at less than \$4.00 as undesirable customers,

and we want you to carefully guard this and ask the cooperation of the wholesale trade at large in holding up this price, both for the jobbers' own good and for the best interest of our products. (Letter of October 27, 1916.)

and the following explanation to jobbers and wholesale dealers that the letter of October 27 advanced prices and secured greater profits for the jobbers, and that those who did not adhere to the prescribed resale prices would be considered "undesirable customers":

Letters received from our customers lead us to believe that our circular letter of October 23rd has been quite largely misunderstood. Our statement, "less 5% discount instead of 10% as heretofore," has been taken to mean that the jobber's profit has been reduced to 5%. This reduction in discount has nothing to do with the profit the jobber is to receive, but is simply our way of announcing that the price of Octagon Soap has been advanced from \$3.60 to \$3.80 per box.

We wish to invite the attention of the entire jobbing trade to the FACT that the reconstruction of our selling prices was made because of the general demoralization in price cutting, our soap being resold to the trade at very close to cost to the jobber, making it quite impossible for our salesmen to secure orders from the retailers on open quotations.

To correct this situation, and acting on the advice of many of our large customers, we decided to reduce the minimum to a figure which CAN BE maintained and which we believe will give the Jobber a more satisfactory profit THAN HE HAS BEEN TAKING, as we will consider those jobbers who sell to the retail trade at less than \$4.00 per box in quantity lots as acting contrary to the best interest of all and therefore UNDESIRABLE CUSTOMERS to us.

* * * * *

Hoping that you will appreciate the fact that our action was based on a sincere desire to secure for the jobber a

greater profit than he has been getting, instead of less, and assuring you that when the wholesale trade demonstrate their willingness to accept increased profit by consistently refusing to sell below our list we will be glad to cooperate to the extent of our ability, we remain . . .

2. Sending out, in November, 1916, from the defendant's general offices at Jersey City, to the jobbers and wholesale dealers throughout the country, the following notice of further advances in prices from the defendant to the jobbers and wholesale dealers, and of advances in the prescribed resale prices from them to the retail dealers, and of an "understanding" that the prescribed resale prices should be maintained, and that the defendant would consider those who did not maintain such resale prices as "undesirable customers":

(Letterhead of Colgate & Co.)

November 25, 1916.

GENTLEMEN:

Beginning today the prices of our Laundry products will be as follows:

	Cost	Selling Prices	
		to Less than 5 boxes	5 boxes or over
Jobber		5 boxes	or over
Octagon Soap, 100c.....	\$3.90	\$4.20	\$4.15
Octagon Soap Powder, 50 pkgs....	1.95	2.10	2.10
Octagon Scouring Cleanser, 50 pkgs.	1.95	2.10	2.10
White Floating Soap, 100c.....	3.90	4.20	4.15
White Floating Soap, 50c.....	1.95	2.10	2.10
Bee Soap, 100c.....	3.90	4.20	4.15

THE ABOVE ARE NET PRICES, less 2% for cash. Carload allowance will be continued as before.

IT IS UNDERSTOOD THAT THE RETAIL PRICES ARE TO BE MAINTAINED, AND WE WILL CONSIDER THOSE SELLING BELOW THESE PRICES AS UNDESIRABLE CUSTOMERS.

We would call your attention to the fact that the above

schedule of selling prices, when compared with those in our circular letter of October 23rd, offers the jobber in five-box quantities or over an additional profit of 5 cents per box.

We sincerely hope that the above change in price will meet with your approval and that we may count on your hearty support.

Yours very truly,

COLGATE & Co.

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and the following instructions to the selling agents that such advances were intended to give additional profits to the jobbers and should be rigidly maintained, and that this would bring increased cost to the consuming public:

You will notice that we are giving the jobbers 5 cents additional profit on the minimum price, viz., 5 boxes or over, as we believe that the change made on October 23rd has had a few weeks to take effect and will put the jobbers on their mettle sufficiently for them to respect this limited selling price and not attempt to violate it.

We are going to rigidly attempt to have the retail prices maintained as previously advised, and sufficient warning to the jobbers in this respect should be given by our salesmen.

This latest advance becomes necessary owing to the excessive increase in the cost of raw materials and even these prices are subject to withdrawal without notice.

This will undoubtedly mean 5 cents straight to the consumer and will perhaps necessitate some active advertising to hold our soap up there unless our competitors will advance accordingly, and we do not see how they can avoid it.

The 5-box or minimum price on Octagon Soap Powder and Octagon Scouring Cleanser is made the same as the single-box price, as it is rather difficult to figure on an odd price splitting the nickel, but we do not believe that the jobbers even yet are ready to accept more than 25 cents per box minimum profit in quantity lots and maintain it.

This is a golden opportunity for all our salesmen to urge

the strict maintenance of prices on the part of the jobber, as we believe this will be much better for all concerned in the long run as it will finally secure the cooperation of the jobber in spite of any protests they make at this time, owing to our change of cutting down the apparent profit on the long price, and we say "apparent" advisedly as it is common property that prices were universally cut below our list prices prior to our making the first change on October 23rd. (Letter of November 25, 1916.)

3. Accepting the following promise to maintain the prescribed resale prices from Trigg, Dobbs & Co., wholesale grocers of Chattanooga, Tennessee, dated December 2, 1916:

It is with pleasure that we acknowledge receipt of your new schedule of prices issued November 25. We will be more than pleased to give you our hearty support and cooperation in maintaining these prices.

4. Sending, on December 4, 1916, the following instructions to W. B. Tompkins, defendant's selling agent at Chattanooga, Tennessee, to procure an agreement to maintain the prescribed resale prices from M. E. Heggie Grocery Produce Co., wholesale dealers at Chattanooga, Tennessee:

We have a letter from Trigg, Dobbs & Co., Chattanooga, Tenn., stating that M. E. Heggie Gro. & Produce Co. are offering Octagon Soap for January 1st delivery at \$4.00 per box. Kindly call on these people and explain our cost and selling prices, and if they are not ready to abide by the limited selling prices, use care that they do not receive any goods."

and accepting the following report of January 9, 1917, from the said selling agent that he had procured agreements from all other jobbers at Chattanooga, Tennessee, to adhere to the prescribed resale prices, and that no further shipments should be made to the Heggie Grocery & Produce Company:

The jobbers here have been slashing Octagon Soap for the past few months, and I have just succeeded in getting all of them to agree to maintain the list. I think to ship Mr. Heggie would simply mean to tear down what we had such trouble in regulating."

and notifying H. A. Bates, defendant's selling agent at Nashville, Tennessee, on January 13, 1917, as follows:

Upon receipt of letter from Mr. Tompkins we have marked the account of the Heggie Grocery and Produce Company "no more goods on account of price cutting" and have notified them that their order will not be shipped.

and notifying the said Heggie Grocery & Produce Company, on January 13, 1917, as follows:

Referring to your recent communication, we regret to advise that we cannot ship the goods referred to, as your method of marketing our products has not been in accordance with our policy.

5. Accepting the following report of January 9, 1917, from F. G. Hollis & Company, wholesale grocers of Bennettsville, South Carolina, of an instance of failure to maintain the resale prices prescribed by the defendant:

You people are selling Mr. F. M. Stanton of this city, a retail merchant, your soap at the regular jobbers price less 2 per cent, and he is selling the retail trade Octagon Soap at \$3.90 net.

and sending the following answer, on January 13, 1917, to such report, explaining that it was unlawful for defendant to attempt to control resale prices otherwise than by refusing to sell to those who failed to maintain them:

We will, however, take the matter up with our repre-

sentative and see if this cannot be corrected through the source of supply. We trust, however, that you will recognize the fact that we can only control prices with those we sell direct by refusing to take any more orders from them. Any other action is not in compliance with the federal law.

6. Sending the following instructions, on January 26, 1917, to G. W. Jatho, defendant's selling agent at Charleston, South Carolina, to procure an agreement from the Audley Hill Company, Augusta, Georgia, to maintain the prescribed resale prices:

Will you be able to see these people within a few days, as we are marking their ticket "no more goods" until we receive assurance from them, either direct or through you, that this price cutting will be discontinued.

and sending the following direct request, on January 26, 1917, to the said Audley Hill Company for an agreement to maintain the prescribed resale prices:

The prices mentioned in your price list are positively against our best interest and we believe that you will agree with us that our interests are mutual in this respect.

Thanking you for your many past courtesies and trusting we may have a satisfactory report from you promptly, we remain,

Yours very truly,

COLGATE & Co.

and thereupon accepting the following promise from the said Audley Hill Company to maintain the prescribed resale prices, contained in a letter dated January 29, 1917:

We will make our price list conform to yours, and our price for 5 boxes delivered will be \$4.15.

7. Accepting the following report of January 25, 1917, from Thomas & Howard Company, wholesale grocers of Columbia,

South Carolina, of an instance of failure to maintain the prescribed resale prices:

We find that Beaty & Wylie, Winnsboro, S. C., retailers who buy your soap direct are still offering at \$3.90.

and thereupon instructing W. S. Dorr, defendant's selling agent at Charlotte, North Carolina, on January 30, 1917, to secure an agreement from the said Beaty & Wylie to maintain the prescribed resale prices:

We have placed a check against the account of Beaty & Wylie, Winnsboro, S. C., as per Thomas & Howard's letter of January 25 and yours of January 26. Accordingly they will receive no more goods until we have assurance from them or through you that prices will be maintained in future.

8. Sending a letter, on January 29, 1917, from the defendant's general offices at Jersey City, to Hudson & Thompson, wholesale grocers at Montgomery, Alabama, requesting a promise to maintain prescribed resale prices, as follows:

It has been called to our attention that you are quoting Octagon Soap at prices below those in our selling price list enclosed herewith. . . . May we not have your assurance that these minimum prices will be observed by you on all occasions?

and thus procuring from the said Hudson & Thompson the following promise to maintain resale prices, in a letter dated January 31, 1917:

We are in receipt of yours of the 29th and note contents carefully, and in reply will say that it will give us pleasure to maintain the full list price on your products.

and rejecting that promise as not sufficiently specific, in a letter of March 8, 1917, containing the following:

The order forwarded by you to our New Orleans office has been forwarded to us, but we regret to advise we are not in position to make shipment, as your letter of January 31 does not deal with satisfactory explanation of ours of January 29. We would be pleased to receive a statement from you that the prices mentioned upon the enclosed price list will be strictly adhered to, and in the event of receiving a communication from you of this nature, we will be pleased to give your order prompt attention.

and thus procuring the following additional statement from the said Hudson & Thompson in a letter dated March 13, 1917:

In this reply of January 31 you will find that we said it would give us pleasure to maintain the full list price on your products and would so instruct our salesmen. We went further to show you why the price had not been maintained before. We see nothing that we can add to the above statement without you would like for us to make an affidavit, of which we are not at present disposed to do.

and thereupon accepting as satisfactory the statement of March 13, in a letter of March 16, 1917, sent out from the defendant's general offices at Jersey City, containing the following:

We do not ask for your affidavit, as your frank statement as per your letter of March 13 is entirely satisfactory to us. We believe you will recognize the fact that our only endeavor is to see that jobbers maintain prices whether others are doing so or not, because such others who are not maintaining prices will come under the same ban immediately it comes to our knowledge, and if prices are cut to meet competition we would never get anywhere.

9. Sending to J. W. Johnson, of Albemarle, North Carolina, from the defendant's general offices at Jersey City, a letter dated January 30, 1917, containing the following request for promise to maintain the prescribed resale prices:

It has been brought to our attention that you have sold Octagon Soap at prices below those mentioned in our printed price list enclosed herewith. . . . We shall be pleased to have your assurance that you are in sympathy with our efforts and that we shall have your cooperation in future by strictly adhering to prices as per enclosed list.

10. Accepting the following report, in a letter dated February 2, 1917, from William Chapman, selling representative of the defendant at New Orleans, Louisiana, of an oral agreement procured by him from Wash Davie & Company, of New Orleans, to adhere to the prescribed resale prices:

I called on them today and they told me that they would not sell Octagon Soap below \$4.20 and \$4.15 in 5-case lots and over; therefore any business that we get through them I believe is perfectly all right. I am watching every move of every jobber in the territory, and if there is any suspicion of price cutting I am going to go into it thoroughly.

11. Sending, from the defendant's general offices at Jersey City, a letter dated February 1, 1917, addressed to John A. Gill Grocery Company, Petersburg, Virginia, soliciting the promise of that company to adhere to prescribed resale prices, as follows:

It has been brought to our attention that you have sold Octagon Soap at prices lower than those mentioned in our selling price list, copy of which is enclosed herewith. . . . I will be pleased to have your positive assurance that we may have your cooperation in the future in that our prices will be strictly observed by your house.

and thus procuring from the said company the following promise to maintain the prescribed resale prices, in a letter of February 7, 1917:

We assure you that we will do our very best, and hold the prices on your products, as we told your representative yesterday.

and accepting the said promise of the said company, in a letter of February 10, 1917, addressed to it, containing the following:

We thank you for your letter of February 7. This is the kind of support which is going to enable us to make Octagon Soap a profitable item in your stock. We will consider it a favor if you will advise us promptly of any clear cases of competitive price cutting, giving us the names of the offenders, so that we may keep right after this matter.

and notifying W. S. Dorr, the defendant's selling representative at Charlotte, North Carolina, of the promise of the John A. Gill Grocery Company, in a letter of February 10, 1917, containing the following:

We have received the strongest kind of assurance of cooperation from them, and we have accordingly reopened their account, putting through a car order which was pending.

12. Sending a letter, dated February 1, 1917, from the defendant's general offices at Jersey City, to Dunnivant & Cook at Petersburg, Virginia, soliciting the promise of that company to adhere to prescribed resale prices, as follows:

It has been brought to our attention that you have sold Octagon Soap at prices lower than those mentioned in our selling price list, a copy of which is enclosed herewith. . . . We will be pleased to have your positive assurance that we may have your cooperation in the future in that our prices will be strictly observed by your house.

and accepting the following report of E. G. Mullen, in a letter of February 6, 1917, addressed to the said W. S. Dorr and transmitted by him to the defendant at its general offices at Jersey City:

I have this day called on Dunnivant & Cook, John A. Gill Grocery Co., and Gill Bros. Co. Each of the above named have assured me that they will live up to Colgate & Com-

pany's list price and under no condition will cut the price again.

and thereupon notifying the said Dorr, in a letter of February 10, 1917, of the acceptance of the said promise of Dunnivant & Cook, as follows:

We have Mr. Mullen's order 2/6 for Dunnivant & Cook, Petersburg, Va., together with his letter stating that they have promised they will live up to Colgate & Company's list price and under no condition will cut the price again.

and notifying the said Dunnivant & Cook, in a letter of February 10, 1917, of the acceptance of their said promise to maintain the prescribed resale prices, as follows:

Our Mr. Mullen advises that you have taken up the matter of prices of Octagon Soap with him and assured him that you would maintain these prices in future. We thank you for this cooperation and assure you that we are thoroughly in earnest in this attempt to protect the jobbers to the extent of a fair profit on Octagon Soap. If you are troubled with any competitive price cutting we trust that you will advise us promptly, giving us as much information as possible and, of course, at the same time maintaining prices in spite of this opposition, pending such time as will give us an opportunity to correct matters.

13. Accepting the report of Charles Syer & Company, distributors for the defendant at Norfolk, Virginia, concerning an instance of failure to maintain prescribed resale prices by A. J. Draughon & Son, of Durham, North Carolina, in a letter dated February 13, 1917, as follows:

As our Mr. Cruser will be in Durham in the near future we shall advise him of the circumstances and have him call on Mr. Draughon and see if he cannot put an end to price cutting so far as his present stock is concerned. If Mr.

Draughon promises to discontinue cutting the price both on his present stock and future orders, shall we continue to accept his business with this understanding, or would you prefer for us to close the account with him in any event?

and answering the said report by a letter sent out on February 17, 1917, from the defendant's general offices at Jersey City, as follows:

We do not think, under the circumstances, that this jobber should have any opportunity to repeat his offense, and you will oblige us by discontinuing to sell him Octagon Soap or any of our other laundry products. We have put a check against their account in case they should submit orders direct. Any information in regard to this matter should be given verbally through your representatives.

14. Sending, from the defendant's general offices at Jersey City, to Kelly, Weber & Co., Ltd., Lake Charles, Louisiana, in a letter dated February 27, 1917, the following request for the promise of that company to maintain the prescribed resale prices:

There has been some complaint made to us that prices in Lake Charles are not being fully and completely maintained. As a precautionary measure we are writing to (you) as a good, reliable concern asking if you will kindly give us an expression of your attitude in regard to maintaining prices on your products, and what you know about the general conditions. . . . We might state in this connection that we have had to discontinue the account of over 30 jobbers on account of the non-maintenance of prices, and we shall be obliged in each instance where there is evidence of wilful cutting to take the same action.

15. Accepting the following written promise from Pittsburgh Wholesale Grocery Company, Pittsburgh, Pennsylvania, in a letter dated March 1, 1917, to adhere to the prescribed resale prices:

We assure you that in the future your prices will be maintained without exception, and we hope you will reinstate us immediately by complying with the above request.

and thereupon reopening the account of the said Pittsburgh Wholesale Grocery Company, and again furnishing soap to that company, in consideration of its said promise to adhere to the prescribed resale prices.

16. Suspending the account of the Erie Wholesale Grocery Company of Erie, Pennsylvania, because of the failure of that company to adhere to the prescribed resale prices, and so notifying that company in a letter dated February 24, 1917, as follows:

We regret we cannot make shipment of the goods ordered by you on February 16, as we do not feel that your manner of handling our products is satisfactory.

and thereupon soliciting, through the defendant's selling agent P. M. Little, an unlawful promise from the said Erie Wholesale Grocery Company to adhere to the prescribed resale prices in consideration of being reinstated and furnished with the defendant's soap, as reported by said Little in a letter dated February 28, 1917, as follows:

I just telephoned to the Erie Wholesale Grocery Company in Erie, informing them the reason their car of soap was not shipped, on account of their account being closed. Mr. Kyle, the manager, did not give us any assurance that they would not cut prices. I naturally informed them that their account would not be reopened until such time as they would agree to maintain prices.

and thereupon refusing to furnish soap to the said Erie Wholesale Grocery Company because of its failure to give the said unlawful promise, and so notifying the said Little in a letter dated March 2, 1917, as follows:

We are in receipt of your letter dated February 28 and will keep the account of the Erie Wholesale Grocery Company closed.

17. Urging the maintenance of the prescribed resale prices in correspondence with N. Lindsey & Company, Inc., wholesale grocers of Alexandria, Virginia, including a letter of March 3, 1917, from the said company containing the following:

We note that some of the jobbers in Alexandria are selling Octagon Soap at less than the list price. You gave us to understand that unless we maintained the list you would not sell us Octagon Soap in the future. Please advise us what you want us to do.

and a letter of March 5, 1917, in reply to the foregoing, from the defendant to the said company:

We have your letter dated March 3 and beg to advise that we shall be pleased to receive any information from you showing where any of your competitors are not maintaining prices. Meanwhile the explanation that prices are cut to meet competition will not suffice, as we are discontinuing accounts of jobbers who do not maintain prices, as rapidly as we get convincing information to that effect. When forwarding information kindly give us the names of the dealers to whom such sales have been made.

and the following reply of March 6, 1917, by the said N. Lindsey & Company, Inc.:

Replying to yours of the 5th instant with reference to jobbers cutting prices of your products in this territory, will say that we do not think it is up to us to furnish you with evidence against jobbers who are not maintaining prices.

and the following reply to that letter by the defendant, in a letter dated March 9, 1917:

We have received your letter dated March 6. Beg to advise that we will make as prompt investigation as possible through our sales representative, but we must rely pretty largely upon our friends in the wholesale business who wish to maintain prices and get all the profit that is due them to give us information as to these wholesale grocers who violate our trade prices.

and the following letter of instructions, dated March 10, 1917, from the defendant to W. B. Read, its selling representative at Philadelphia, Pennsylvania:

You will find enclosed some papers from N. Lindsey & Co., Alexandria, Va. Can you investigate conditions down there promptly and report? Return papers for our file.

and a letter dated April 17, 1917, from the said Reed to C. T. Nicholson, secretary-treasurer of the said N. Lindsey & Company, Inc., pursuant to the said instructions from the defendant, stating:

Our new price since April 7 and 9 makes our soap \$4.55 minimum selling price. This you will see, assures you a greater profit than any of our competitors are giving, and we most positively assure you that you will realize this price, as I know, Colgate & Co. have not considered a policy to have it violated by anyone at any cost.

We are now carrying on an investigation in your territory, which will doubtless reach the party which was mentioned in our conversation. I will see you very soon and hope to be able to inform you as to the result.

18. Accepting the following report from A. E. McCann, selling agent of the defendant at Jacksonville, Florida, in a letter from him dated March 21, 1917, concerning his securing of oral assurances to maintain prescribed resale prices, reported as follows:

I have called on and personally had a heart-to-heart talk with every direct buyer of Octagon products and just know whom I can rely on to maintain our list and those who will bear watching.

Would suggest you carry out the following on my recommendation, viz.:

Reopen the accounts of the Hartsfield Grocery Co., also C. J. Harris. . . .

and accepting and acting upon such report by reopening the accounts of the two said companies, and sending a letter to that effect, dated March 23, 1917, to the said McCann, from the defendant's general offices at Jersey City, containing the following:

We have just received your letter dated March 21, giving an account of your experience in Gainesville, Florida, and we have reopened the account of the Hartsfield Grocery Co., also C. J. Harris. We are putting through orders which we are holding for both of these parties.

19. Suspending the account of Chesterfield Grocery Company, Inc., jobbers of Cheraw, South Carolina, and refusing to furnish soap to that company, because of its failure to adhere to the prescribed resale prices; and thereupon soliciting and accepting the promise of that company to adhere to the prescribed resale prices in consideration of being reinstated as a customer and furnished with defendant's soap, given in a letter dated March 22, 1917, as follows:

We wish to assure you that we are in business for a profit and will say again that we will maintain your selling list on soap and washing powders.

and accepting the following reiteration of such promise by said company in a letter dated April 2, 1917:

Wish to assure you again that we will not cut prices on your goods.

and thereupon notifying the said company of the acceptance of its said promises and of its reinstatement as a customer of the defendant, in consideration of its said promise to maintain the prescribed resale prices, in a letter dated April 3, 1917, sent out from the defendant's general offices at Jersey City, containing the following:

We are in receipt of your letter dated April 2, with copy of your letter of March 22, which we had not received. We are reopening your account on the strength of your assertion that you will not cut the price of our goods, and we are putting through an order dated March 27 calling for 5 boxes of Octagon Soap, to be shipped to McLendon Bros., Dovesville, S. C.

As is customary with us, we wish to call attention to the fact that while we reopen the account of a jobber whose account has been closed on account of price cutting in the first instance merely on their statement that they will maintain prices, should there be a reoccurrence of price cutting it will be extremely difficult for any such jobber to have their account reopened.

and thereupon and thereafter furnishing the defendant's soap to the said company, in consideration of its said promise to maintain the prescribed resale prices.

The grand jurors further find and present that the defendant sent out from its general offices at Jersey City all the letters and circulars described above as emanating from the defendant, upon the dates specified above in connection with such letters and circulars; and that it received at its said general offices all the letters and telegrams and reports described above as communicated, or intended to be communicated, to the defendant, upon or about the dates specified above in connection with the several letters, telegrams, and reports; and that the defendant's agents and representatives procured the agreements, promises and assurances of wholesale dealers and jobbers to maintain the resale prices prescribed by the defendant in accordance with the instructions contained in the above-described letters of the defendant, and in

accordance with the above-described letters, telegrams, and reports, of such agents and representatives to the defendant; and that the defendant, during the period of three years immediately preceding this indictment, in furtherance of the purpose of the above-described combination to procure adherence to the prescribed resale prices, uniformly refused to furnish its soap to those jobbers and wholesale dealers who failed to adhere to such resale prices, and uniformly furnished its soap to other jobbers and wholesale dealers in consideration of adherence by them to the prescribed resale prices, and upon the understanding and agreement that they would so adhere; and that competition in prices amongst the said jobbers and wholesale dealers was thus eliminated, and the jobbers and wholesale dealers uniformly resold to retail dealers at the prescribed resale prices; and that the prices for defendant's soap from the jobbers and wholesale dealers to the retail dealers, and from the retail dealers to the consuming public throughout the United States, were thus continuously maintained and enhanced.

And so the grand jurors, upon their oaths, do say that Colgate & Company, a corporation within the period of three years immediately preceding the return of this indictment, in the District of New Jersey, in the manner aforesaid, unlawfully engaged in a combination in restraint of trade and commerce among the several States; against the peace and dignity of the United States and contrary to the statute in such case made and provided.

Count Two.

The grand jurors here repeat and reallege, as fully as if here again set forth at length, all the allegations and charges contained in the preceding count of this indictment; and thereupon they further find and present as follows:

That shortly prior to March 24, 1917, the defendant, through one of its agents, requested the Peeler Company, wholesale grocers at Salisbury, North Carolina, to promise to adhere to the resale prices prescribed by the defendant, in consideration of being furnished with defendant's soap, and that thereupon the said company sent to the defendant a letter received by the latter

at its general offices at Jersey City, dated March 24, 1917, containing the following promise:

We will agree to maintain your price on Octagon Soap to the retail trade at \$4.20 single and \$4.15 in 5-case lots. And have been instructed by your salesman to report any competitor that cuts the price lower than the above less regular discount.

and thereupon the defendant notified the said Peeler Company of the acceptance of the said promise of that company to maintain the resale prices prescribed by the defendant, in a letter dated March 30, 1917, which the defendant sent out that date, in the United States mails, from its general offices at Jersey City, as follows:

We are in receipt of your letter dated March 24, in which you advise that you will maintain prices as per list. . . . We are very much pleased to get your notice of cooperation in having prices maintained so that jobbers can receive a reasonable profit on Octagon soap.

and that thereupon and thereafter, in consideration of the said promise of the said Peeler Company to adhere to the resale prices prescribed by the defendant, the defendant furnished soap to that company.

And so the grand jurors, upon their oaths, do say that the defendant, prior to and on and about March 30, 1917, in the manner described in this count, unlawfully engaged in a combination in restraint of trade and commerce among the several States; against the peace and dignity of the United States and contrary to the statute in such case made and provided.

Count Three.

The grand jurors here repeat and reallege, as fully as if here again set forth at length, all the allegations and charges contained

in the preceding counts of this indictment; and thereupon they further find and present as follows:

That on or about March 19, 1917, the defendant suspended the account of Foote-Patrick Company, wholesale grocers at Laurel, Mississippi, and refused to furnish soap to the said company, because of the failure of that company to adhere to the resale prices prescribed by the defendant, and that thereafter the defendant, through its agents, William Chapman, of New Orleans, Louisiana, and Walter Janin, of Laurel, Mississippi, on or about March 29, 1917, procured an oral promise from the said Foote-Patrick Company to adhere to the resale prices prescribed by the defendant, and received reports from its said agents of the securing of such oral promise, at its said general offices at Jersey City; and that the said Foote-Patrick Company, induced by the defendant's said agents, gave to the defendant a written promise to adhere to the prescribed resale prices in consideration of being again furnished with defendant's soap, in a letter dated March 29, 1917, which the defendant received and accepted at its said general offices, as follows:

We have request from your New Orleans office to state to you in writing that it is our purpose to maintain your selling price list in all cases. . . . We will either maintain your prices or keep the goods. . . . We understand that at the present time all jobbers are lined up and we are glad to get in the boat with them.

and that the defendant, at its said general offices, on April 3, 1917, in consideration of the promises of the said Foote-Patrick Company to maintain the resale prices prescribed by the defendant, reopened the account of the said company, and furnished soap to the said company, and so reported to its said agent Chapman, and sent out, in the United States mails, from its said general offices at Jersey City, on the last-mentioned date, a letter as follows:

We have your letter dated March 30 in which you state that Foote-Patrick Company would write us a letter in which they would state that they would maintain prices, and we

have received a letter from Foote-Patrick Company referred to. We are therefore reopening their account.

And so the grand jurors, upon their oaths, do say that the defendant, in March and April, 1917, in the manner described in this count, unlawfully engaged in a combination in restraint of trade and commerce among the several States; against the peace and dignity of the United States and contrary to the statute in such case made and provided.

Count Four.

The grand jurors here repeat and reallege, as fully as if here again set forth at length, all the allegations and charges contained in the preceding Counts of this indictment; and thereupon they further find and present as follows:

That on or about March 21, 1917, the defendant, at its general offices at Jersey City, suspended the account of the Batey-Fleming Company, of Jacksonville, Florida, and thereafter refused to furnish soap to that company, by reason of the failure of that company to adhere to the resale prices prescribed by the defendant, and that the defendant, on March 24, 1917, sent out from its said general offices at Jersey City, and deposited in the United States mails at that place, a letter addressed to the said Batey-Fleming Company requesting that company to promise to adhere to the resale prices prescribed by the defendant in consideration of the defendant furnishing its soap to the said company, as follows:

It has been reported to us that you are selling our Octagon Soap at less than prices mentioned on the enclosed price list. Before shipping any more goods for your account we will be pleased to hear from you showing your attitude in regard to the maintenance of prices upon our products.

and that the defendant, on March 31, 1917, in like manner sent out, to its selling agent McCann, a letter instructing him to call on the said Batey-Fleming Company and explain why the account of that company had been suspended, as follows:

We would suggest that you call on them and explain exactly why we have found it necessary to put a check against their account.

and that the defendant, through its said agent McCann, thereupon procured an oral agreement from the said Batey-Fleming Company to adhere to the resale prices prescribed by the defendant, in consideration of the defendant furnishing its goods to the said Batey-Fleming Company; and that the defendant accepted the report of the said McCann concerning the procuring of such oral agreement, as follows:

I called on these people and had a heart to heart talk with Mr. Batey and explained to them fully our position. They advised me that they would cooperate with us to the fullest extent and would maintain our list to the letter.

and that thereupon the defendant, at its said general offices at Jersey City, reinstated the said Batey-Fleming Company as a customer of the defendant, and thereafter furnished soap to the said company, in consideration of the said oral agreement of the said company to maintain the resale prices prescribed by the defendant; and that the defendant so reported to the said McCann and sent to him, from the defendant's said general offices, in the United States mails, on April 13, 1917, a letter so reporting, as follows:

We gather from your letter of the 9th instant that you wish us to reopen the account of Batey & Fleming, Jacksonville, Fla., although you have not specifically stated so in your letter. Therefore we are notifying our Credit and Accounting Department to lift the check against their names so that orders will go through when presented.

And so the grand jurors, upon their oaths, do say that the defendant, in March and April, 1917, in the manner described in this count, unlawfully engaged in a combination in restraint of trade and commerce among the several States; against the peace

and dignity of the United States and contrary to the statute in such case made and provided.

Count Five.

The grand jurors here repeat and reallege, as fully as if here again set forth at length, all the allegations and charges contained in the preceding Counts of this indictment; and thereupon they further find and present as follows:

That the defendant, prior to April 3, 1917, suspended the account of, and refused to furnish soap to, the Sterne-Stevens Company, wholesale grocers at Anniston, Alabama, by reason of the failure of that company to adhere to the resale prices prescribed by the defendant, and, in notification thereof, sent out from the defendant's general offices at Jersey City, in the United States mails, on April 3, 1917, to the said Sterne-Stevens Company, a letter as follows:

We are very strictly enforcing our circular letter in which we stated that all such parties selling below our list prices would be considered as undesirable customers.

If we misunderstood your communication, will you let us have a reiteration that prices will be maintained under all conditions, and we will ship the orders that we have on file, as you have stated that these goods were sold at list prices.

and that the defendant thus procured and accepted, at its said general offices, the promise of the said Sterne-Stevens Company to adhere to the resale prices prescribed by the defendant, contained in a telegram from the said company to the defendant dated April 7, 1917, as follows:

Yours third received. You did not understand us correctly. We guarantee without any reservation to maintain list prices on your products.

and that the defendant thereupon reopened the account of the said Sterne-Stevens Company and thereafter furnished soap to

that company, in consideration of the said promise to maintain the resale prices prescribed by the defendant; and that the defendant, in notification thereof, sent out to the said Sterne-Stevens Company, from the defendant's said general offices, in the United States mails, on April 7, 1917, a letter bearing that date, as follows:

We take great pleasure in reopening your account, as the clearcut statement in your telegram is all that could be asked or expected . . . We are wiring you that we are putting your order through.

And so the grand jurors, upon their oaths, do say that the defendant, in the month of April, 1917, and on and between April 3, 1917, and April 7, 1917, in the manner described in this count, unlawfully engaged in a combination in restraint of trade and commerce among the several States; against the peace and dignity of the United States and contrary to the statute in such case made and provided.

Count Six.

The grand jurors here repeat and reallege, as fully as if here again set forth at length, all the charges and allegations contained in the preceding counts of this indictment; and thereupon they further find and present as follows:

That on April 9, 1917, the defendant sent out from its general offices at Jersey City in this district, and deposited in the United States mails at that place, the following notice which was thereupon communicated to all wholesale dealers and jobbers in defendant's soap throughout the United States, of further advances in prices for such soap from the defendant to the jobbers and wholesale dealers, and of further advances in the prescribed resale prices from the jobbers and wholesale dealers to the retail dealers, and of an "understanding" that the prescribed resale prices should be adhered to, and should apply to stock on hand as well as to stock purchased in future, and that the purpose was to give extra profit to the wholesale dealers and jobbers so as to

encourage sales of the defendant's soap, and that those who took lower profits would be considered "undesirable customers":

(Letterhead of Colgate & Co.)

April 9th, 1917.

GENTLEMEN:

Owing to the very large increase in cost of raw materials, we find it necessary to advance the price of our Laundry Products as follows:

	Cost to Jobber	Retail Selling Prices All Quantities
Octagon Soap	\$4.20	\$4.55
Bee Soap	4.20	4.55
Octagon Soap Powder, 50 pkgs.....	2.10	2.30
Octagon Scouring Cleanser, 50 pkgs.....	2.10	2.30
White Floating Soap, 100 cakes.....	4.20	4.55
White Floating Soap, 50 cakes.....	2.10	2.30

THE ABOVE ARE NET PRICES, less 2% for cash. Carload allowance will be continued as before.

IT IS UNDERSTOOD THAT THE RETAIL PRICES ARE TO BE MAINTAINED AND ARE TO APPLY TO JOBBERS' PRESENT STOCK AS WELL AS TO FUTURE PURCHASES. WE WILL CONSIDER THOSE SELLING BELOW THESE PRICES AS UNDESIRABLE CUSTOMERS.

We invite the attention of the wholesale trade to the increased profit represented in the above figures. This is in accordance with our previously announced policy and we hope will lead you to push our goods with enthusiasm. Also we earnestly hope to secure your cooperation in maintaining prices. We feel fully justified in making the statement that the demoralizing price cutting conditions are no longer evident and that we have conclusively proven it is to

the benefit of manufacturers, jobbers and retailers to treat price-cutters as undesirable customers.

The above prices are subject to withdrawal without notice.

Yours very truly,

COLGATE & Co.

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and the following letter of instructions to selling agents, concerning such further advances in prices, explaining that the defendant had made "wonderful progress" in maintaining prices, that it was now giving still further profits to the jobbers, that the selling agent should explain to them that these profits were greater than what they could realize on the soaps of other manufacturers, and should explain to them the danger which they would incur if they attempted to accept lower profits,—meaning the danger that the defendant would consider them as "undesirable customers":

Of course, these prices are subject to a cash discount of 2% and all terms remain the same as before except that you will notice that we have now but one selling price to the retail trade for all quantities, as we believe that it is going to be much easier to maintain this price than two prices as we have had, although we have made wonderful progress in the maintenance of prices.

The additional profit that we are giving to the jobbers will be a temptation to those jobbers who buy in carload lots but we must be just as insistent in our efforts to have prices maintained as we did before, if not more so, for we hope never again to return to the demoralized state of affairs previous to our newly adopted policy last fall.

We believe that these prices are going to be well received by the wholesale trade, and although we have omitted making any argument to the wholesalers in our circular letter as to comparison of profits, we want our salesmen to call their attention particularly to the fact that this gives them a profit of 35 cents per box on five, ten and twenty-five box lots as

well as single boxes. This is decidedly more than they can get on any other soap which is being billed by other manufacturers at list prices less 10% and giving a graduated schedule of prices to sell to the trade, so that the aggregate profit realized by wholesalers will be considerably better on Octagon Soap than on other soaps, it being over 9% to jobbers who purchase in car lots (and this is a far better average than is made on other soaps).

We believe that the extra profit that we are extending to the jobbers, viz. 10 cts. on all quantity lots and 5 cts. on single box lots will secure for us their hearty cooperation, and it will become all the more necessary to point out the danger of their attempting to sell soaps below list prices mentioned.

(Letter of April 7, 1917.)

And thereupon defendant sold and furnished soap to wholesale dealers and jobbers throughout the United States, too numerous to mention, upon the aforesaid understanding, set forth in the letter of April 9, 1917, that the prescribed resale prices should be adhered to.

And so the grand jurors, upon their oaths, do say that Colgate & Company, a corporation, in the month of April, 1917, and on or about April 7 and April 9, 1917, and thereafter in the District of New Jersey, in the manner described in this count, unlawfully engaged in a combination in restraint of trade and commerce among the several States; against the peace and dignity of the United States and contrary to the statute in such case made and provided.

Count Seven.

The grand jurors here repeat and reallege, as fully as if here again set forth at length, all the charges and allegations contained in the preceding counts of this indictment; and thereupon they further find and present as follows:

That shortly prior to April 16, 1917, the defendant suspended

the account of Overman & Company, wholesale dealers of Salisbury, North Carolina, and refused to furnish soap to that company, because of failure by that company to adhere to the resale prices prescribed by the defendant, and thereupon the defendant, through its agent Dorr, procured an agreement from that company to maintain the prescribed resale prices, in consideration of the defendant furnishing soap to that company, in a letter dated April 16, 1917, as follows:

We have a letter from your Mr. Dorr today advising that our letter to you in reference to cooperating with you in maintaining prices on your soap was not satisfactory. We are afraid we were not explicit and not positive enough. This is to say that we will most positively maintain prices on your soap as set forth in your circular.

and the defendant, at its general offices at Jersey City, accepted the said promise of the said Overman & Company to maintain the resale prices prescribed by the defendant, and in consideration thereof reopened the account of that company and furnished soap to it, or to its order, and in notification thereof, sent out to the said company, from and at the defendant's general offices at Jersey City, on or about April 20, 1917, a letter addressed to the said company as follows:

This is to acknowledge receipt of your letter dated April 16th in which you state you will positively maintain prices on the soap as per conditions outlined in our circular letter. We are therefore putting through the order which you placed with our Mr. Shackelford on April 6th.

And so the grand jurors, upon their oaths, do say that the defendant in the month of April, 1917, and between and including the dates April 16, 1917, and April 20, 1917, in the manner described in this count, unlawfully engaged in a combination in restraint of trade and commerce among the several States; against the peace and dignity of the United States and contrary to the statute in such case made and provided.

Count Eight.

The grand jurors here repeat and reallege, as fully as if here again set forth at length, all the charges and allegations contained in the preceding counts of this indictment; and thereupon they further find and present as follows:

That shortly prior to April 18, 1917, the defendant, at its general offices at Jersey City, suspended the account of Rush Bros. Company, wholesale grocers at Greenville, South Carolina, and refused to furnish soap to that company, or to its order, because of the failure of that company to adhere to the resale prices prescribed by the defendant; and the defendant, through its agent Dorr, solicited a promise and agreement from that company to maintain the resale prices prescribed by the defendant, in consideration of the defendant again furnishing soap to the said company, and accepting such promise and agreement contained in a letter of that company dated April 18, 1917, as follows:

Since writing you today your Mr. Dorr called on us and we have gone over the situation very thoroughly with regards to the price on your goods.

We have agreed to maintain the price strictly, regardless of what others may do, until we have notified you that it is not being maintained by others and give you plenty of time to investigate and remedy same, and ask to be relieved of our obligation before taking action.

and thereupon the defendant, at its general offices at Jersey City, reinstated the said Rush Bros. Company as a customer of the defendant, and again furnished soap to that company, or to its order, in consideration of the said promise and agreement of that company to maintain the resale prices prescribed by the defendant; and, in notification thereof, the defendant sent out from its general offices at Jersey City, on April 25, 1917, in the United States mails, a letter bearing that date, addressed to the said Rush Bros. Company as follows:

Answering your letters of April 17 and 18, respectively,

we beg to advise you that in view of your unqualified statement we are very pleased to put through the order which we have been holding.

And so the grand jurors, upon their oaths, do say that the defendant, in the month of April, 1917, and on and between April 18, 1917, and April 25, 1917, in the manner aforesaid, unlawfully engaged in a combination in restraint of trade and commerce among the several States; against the peace and dignity of the United States and contrary to the statute in such case made and provided.

Count Nine.

The grand jurors here repeat and reallege, as fully as if here again set forth at length, all the charges and allegations contained in the preceding counts of this indictment; and thereupon they further find and present as follows:

That shortly prior to April 23, 1917, the defendant suspended the account of the Calhoun Grocery Company of Anniston, Alabama, and refused to furnish its soap to that company, on account of the failure of that company to adhere to the resale prices prescribed by the defendant; and the defendant, in notification thereof, sent out, on April 23, 1917, from and at its general offices at Jersey City, in the United States mails, and caused to be communicated to the said company, a letter addressed to the said company, bearing date April 23, 1917, as follows:

Owing to information at hand we are compelled for the second time to consider your account as undesirable. This is due notice therefore that any correspondence concerning orders will be null and void.

and the defendant, in notification of its said action in suspending the said Calhoun Grocery Company because of that company's failure to adhere to the resale prices prescribed by the defendant, on April 28, 1917, from and at the defendant's general offices at

Jersey City, sent out and deposited in the United States mails, a letter addressed to its selling representative, William Chapman at New Orleans, Louisiana, as follows:

For your information would state that we received an affidavit showing sale made by this concern to G. L. Jamison of Anniston, Ala., on April 11th, 10 cases of Octagon soap at \$4.00 per box. This complete invoice bears several other items as a corroboration, which looks to be genuine. Having no doubt of the guilt of the Calhoun Grocery Co., we have closed their account indefinitely.

And so the grand jurors, upon their oaths, do say that the defendant, in the month of April, 1917, and on and between the dates April 23, 1917, and April 28, 1917, in the manner described in this count, unlawfully engaged in a combination in restraint of trade and commerce among the several States; against the peace and dignity of the United States and contrary to the statute in such case made and provided.

Count Ten.

The grand jurors here repeat and reallege, as fully as if here again set forth at length, all the charges and allegations contained in the preceding counts of this indictment; and thereupon they further find and present as follows:

That, on April 26, 1917, the defendant sent out from its general offices at Jersey City in this district, and deposited in the United States mails at that place, and caused to be communicated to the jobbers and wholesale dealers in defendant's soap throughout the United States, the following notice of further advances in prices for such soap from the defendant to the jobbers and wholesale dealers, and of further advances in the prescribed resale prices from the latter to the retail dealers, and of an "understanding" that such resale prices should be adhered to, and that the defendant would consider those who did not so adhere as "undesirable customers":

(Letterhead of Colgate & Co.)

April 26, 1917.

GENTLEMEN:

Owing to the continued increase in cost of raw materials, we have advanced the price of our Laundry Products as follows:

	Cost to Jobber	Retail Selling Prices All Quantities
Octagon Soap	\$4.50	\$4.85
Bee Soap	4.50	4.85
Octagon Soap Powder, 50 pkgs.....	2.25	2.45
Octagon Scouring Cleanser, 50 pkgs.....	2.25	2.45
White Floating Soap, 100 cakes.....	4.50	4.85
White Floating Soap, 50 cakes.....	2.25	2.45

THE ABOVE ARE NET PRICES, less 2% for cash. Carload allowance will be continued as before.

IT IS UNDERSTOOD THAT THE RETAIL PRICES ARE TO BE MAINTAINED AND ARE TO APPLY TO JOBBERS' PRESENT STOCK AS WELL AS TO FUTURE PURCHASES. WE WILL CONSIDER THOSE SELLING BELOW THESE PRICES AS UNDESIRABLE CUSTOMERS.

The above prices are subject to withdrawal without notice.

Yours very truly,

COLGATE & Co.

LMcD-EMT.

and the defendant on April 27, 1917, sent out in like manner, and at the same place, and communicated to all the defendant's selling agents throughout the United States, the following instructions to such selling agents with reference to the enforcement of such advanced prices:

We are going to continue our vigilance to see that the

jobbers maintain prices and we want all of our sales force to give us active and sincere cooperation in this respect. (Letter April 27, 1917).

And so the grand jurors, upon their oaths, do say that Colgate & Company, a corporation, in the month of April, 1917, and on and between the dates April 26, 1917, and April 27, 1917, in the District of New Jersey, in the manner described in this count, unlawfully engaged in a combination in restraint of trade and commerce among the several States; against the peace and dignity of the United States and contrary to the statute in such case made and provided.

Count Eleven.

The grand jurors here repeat and reallege, as fully as if here again set forth at length, all the charges and allegations contained in the preceding counts of this indictment; and thereupon they further find and present as follows:

That shortly prior to April 28, 1917, the defendant suspended the account of Walker Smith & Company, wholesale grocers at Houston, Texas, and refused to furnish soap to that company, or to its order, on account of failure by that company to adhere to the resale prices prescribed by the defendant; and the defendant, in notification of its said action, on May 1, 1917, sent out from and at its general offices at Jersey City, and deposited in the United States mails at that place, a letter addressed to the said Walker Smith & Company as follows:

Your wire April 28th received. As per terms mentioned in our circular letter we beg to advise that we have been forced to consider your account as undesirable.

and the defendant thus procured the promise of the said Walker Smith & Company to adhere in future to the resale prices prescribed by the defendant, in consideration of the defendant furnishing soap to that company; and the defendant received and accepted, at its general offices at Jersey City, shortly after May

7, 1917, a letter containing such promise from the said Walker Smith & Company, as follows:

We have given you our word for it that we will maintain your selling list, and if you can show us an instance for months and months where we have knowingly violated your selling price we would like to know it.

and thereupon the defendant, in consideration of the said promise of the said Walker Smith & Company to adhere to the resale prices prescribed by the defendant, reinstated the said company as a customer of the defendant, and again furnished soap to the said company.

And so the grand jurors, upon their oaths, do say that the defendant, in the months of April and May, 1917, and on and between the dates May 1, 1917, and May 7, 1917, in the manner described in this count, unlawfully engaged in a combination in restraint of trade and commerce among the several States; against the peace and dignity of the United States and contrary to the statute in such case made and provided.

Count Twelve.

The grand jurors here repeat and reallege, as fully as if here again set forth at length, all the charges and allegations contained in the preceding counts of this indictment; and thereupon they further find and present as follows:

That the defendant, on May 14, 1917, sent out from its general offices at Jersey City, and caused to be deposited in the United States mails at that place, and communicated to the jobbers and wholesale dealers throughout the United States, the following notice of further advances in defendant's selling prices to jobbers and wholesale dealers, and of further advances in the prescribed resale prices of the latter to retail dealers, and of an "understanding" that such prices should be adhered to and should apply to stock on hand as well as stock purchased in the future; and that those who did not so adhere would be considered "undesirable customers":

(Letterhead of Colgate & Co.)

May 14, 1917.

GENTLEMEN:

Owing to the continued increase in the cost of raw materials, we have advanced the price of our Laundry Products, as follows:

	Cost to Jobber	Retail Selling Prices All Quantities
Octagon Soap	\$4.80	\$5.25
Bee Soap	4.80	5.25
Octagon Soap Powder, 50 pkgs.....	2.40	2.62½
Octagon Scouring Cleanser, 50 pkgs...	2.40	2.62½

THE ABOVE ARE NET PRICES, less 2% for cash.
Carload allowance will be continued as before.

IT IS UNDERSTOOD THAT THE RETAIL PRICES ARE TO APPLY TO JOBBERS' PRESENT STOCK AS WELL AS TO FUTURE PURCHASES. WE BELIEVE IT IS TO THE BEST INTERESTS OF ALL CONCERNED TO ADHERE TO THE ABOVE SELLING PRICES AND WE WILL CONSIDER THOSE DISREGARDING THEM AS UNDESIRABLE CUSTOMERS.

The above prices are subject to withdrawal without notice.

Yours very truly,

LMcD-EMT.

COLGATE & Co.

and the following instructions to defendant's selling agents concerning such advanced prices, pointing out that the profit to the jobbers and wholesale dealers was again increased, and that it would be difficult to induce the jobbers and wholesale dealers to adhere to the prescribed advanced prices to the retail dealers, and that the salesmen should cooperate in guarding against cutting prices:

You will find enclosed a circular letter which we are sending to the trade and you will observe that we have increased the box profit to the jobber to 45 cents per box on the Soap and have in this instance made the profit on the Powder and Cleanser 22½ cents which will be on the same basis.

The increased box profit is merely to keep pace with the increased cost pro rata which does not equal 10%, yet it will be a trifle over 10% to car lot buyers, and inasmuch as this is a profit on all quantities there is no reasonable argument that any jobber can use, no matter where located, why he should prefer selling other manufacturers' soaps to our own. We believe, as a whole, we will have the hearty cooperation of the wholesale trade.

It is going to be very difficult for us to hold the jobbers in line on these frequent changes in the matter of selling goods to the retail trade at new advanced prices when they may have a fairly good stock which they own at the old figure, but we will handle this just as carefully as possible and want our salesmen to cooperate with us in guarding against soap being sold at cut prices. (Letter May 14, 1917.)

and thereupon and thereafter the defendant furnished its soap to wholesale dealers and jobbers throughout the United States upon the understanding communicated to them as aforesaid in the said letter of May 14, 1917, that they should adhere to the resale prices prescribed by the defendant, and in consideration of their adhering to such resale prices.

And so the grand jurors, upon their oaths, do say that Colgate & Company, a corporation, on and after May 14, 1917, in the District of New Jersey, in the manner described in this count, unlawfully engaged in a combination in restraint of trade and commerce among the several States; against the peace and dignity of the United States and contrary to the statute in such case made and provided.

Count Thirteen.

The grand jurors here repeat and reallege, as fully as if here

again set forth at length, all the charges and allegations contained in the preceding counts of this indictment; and thereupon they further find and present as follows:

That, on May 23, 1917, the defendant sent out from its general offices at Jersey City in this district, and there caused to be deposited in the United States mails, and caused to be communicated to the jobbers and wholesale dealers in its soap throughout the country, the following notice of further advances in prices from the defendant to the jobbers and wholesale dealers, and of further advances in the prescribed resale prices from the latter to the retail dealers, and of an "understanding" that the prescribed resale prices should apply to present stock as well as future purchases, and that the defendant would consider those who failed to adhere to such prices as "undesirable customers":

(Letterhead of Colgate & Co.)

May 23, 1917.

GENTLEMEN:

Owing to the continued increase in the cost of raw materials, we have advanced the price of our Laundry Products as follows:

	Cost to Jobber	Retail Selling Prices All Quantities
Octagon Soap	\$5.20	\$5.65
Bee Soap	5.20	5.65
Octagon Soap Powder, 50 pkgs.....	2.60	2.82½
Octagon Scouring Cleanser, 50 pkgs....	2.60	2.82½

THE ABOVE TERMS ARE NET PRICES, less 2% for cash. Carload allowance will be continued as before.

IT IS UNDERSTOOD THAT THE RETAIL PRICES ARE TO APPLY TO JOBBERS' PRESENT STOCK AS WELL AS TO FUTURE PURCHASES. WE BELIEVE IT IS TO THE BEST INTEREST OF ALL CONCERNED TO ADHERE TO THE ABOVE

SELLING PRICES AND WE WILL CONSIDER THOSE DISREGARDING THEM UNDESIRABLE CUSTOMERS.

The above prices are subject to withdrawal without notice.

Yours very truly,

COLGATE & Co.

Dic. LMCD-EMT.

and the defendant thereupon and thereafter furnished its soap to jobbers and wholesale dealers throughout the United States upon the understanding set forth in its said letter of May 23, 1917, that the jobbers and wholesale dealers would adhere to the prescribed resale prices, and in consideration of the understanding and agreement on the part of such jobbers and wholesale dealers that they would so adhere; and the said jobbers and wholesale dealers did thereupon generally and uniformly adhere to the prescribed resale prices.

And so the grand jurors, upon their oaths, do say that Colgate & Company, a corporation, on and after May 23, 1917, in the manner described in this count, in the District of New Jersey, unlawfully engaged in a combination in restraint of trade and commerce among the several States; against the peace and dignity of the United States and contrary to the statute in such case made and provided.

Count Fourteen.

The grand jurors here repeat and reallege, as fully as if here again set forth at length, all the charges and allegations contained in the preceding counts of this indictment; and thereupon they further find and present as follows:

That, on August 6, 1917, the defendant sent out from its general offices at Jersey City in this district, and there caused to be deposited in the United States mails, and caused to be communicated to the jobbers and wholesale dealers in its soap throughout the country, the following notice of reduction in

prices from the defendant to the jobbers and wholesale dealers, and of reduction in the prescribed resale prices from the latter to the retail dealers, and of an "understanding" that the policy of Colgate & Company in regard to resale prices in preceding counts of this indictment set forth, should remain unchanged and upon the understanding, express or implied, that the prescribed resale prices should apply and that the defendant would consider those who failed to adhere to such prices as "undesirable customers":

COLGATE & COMPANY

NEW YORK, August 6, 1917.

IMPORTANT NOTICE

Within the past two weeks the market price of a number of commodities entering into the composition of Bee Soap, Octagon Soap, Powder and Cleanser has fallen off considerably. It is, therefore, possible for us to manufacture these products at a less cost than was possible when last we advanced prices.

We have, therefore, decided to reduce the price of Octagon and Bee Soap 20 cts. per box, and half boxes of Octagon Powder and Cleanser in like proportion.

On receipt of this please send us a list of stocks you have on hand, using the enclosed form, and we will credit you with the reduction. (UNDELIVERED orders can be classified as stock on hand but in no case should orders DELIVERED prior to this date be reported for rebate).

The market conditions produced by the war are exceptional, but we can assure you that the quality of our Laundry Soap Products will continue to be kept at their present high standard, though it may be necessary from time to time to make advances or reductions in our prices.

Below please find net price list.

Thanking you for the orders we have received in the past and hoping for a continuance of your valued business, we remain

Yours very truly,
COLGATE & Co.

	Price to Jobber	Price to Retailer
Octagon Soap, 100 cakes.....	\$5.00	\$5.45
Octagon Cleanser, 50 pkgs.....	2.50	2.72½
Octagon Powder, 50 pkgs.....	2.50	2.72½

and the defendant thereupon and thereafter furnished its soap to jobbers and wholesale dealers throughout the United States upon the understanding set forth in its said notice of August 6, 1917, that the jobbers and wholesale dealers would adhere to the prescribed resale prices, and in consideration of the understanding and agreement on the part of such jobbers and wholesale dealers that they would so adhere; and the said jobbers and wholesale dealers did thereupon generally and uniformly adhere to the prescribed resale prices.

And so the grand jurors, upon their oaths, do say that Colgate & Company, a corporation, on and after August 6, 1917, in the manner described in this count, in the District of New Jersey, unlawfully engaged in a combination in restraint of trade and commerce among the several States; against the peace and dignity of the United States and contrary to the statute in such case made and provided.

Count Fifteen.

The grand jurors here repeat and reallege, as fully as if here again set forth at length, all the charges and allegations contained in the preceding counts of this indictment; and thereupon they further find and present as follows:

That on January 8, 1918, the defendant sent out from its general offices at Jersey City in this district, and there caused to be deposited in the United States mails, and caused to be communicated to the jobbers and wholesale dealers in its soap throughout the country, the following notice of further advances in prices from the defendant to the jobbers and wholesale dealers, and of further advances in the prescribed resale prices from the latter to the retail dealers, and of an "understanding" that the policy of

Colgate & Company in regard to resale prices, in preceding counts of this indictment set forth, should remain unchanged, and upon the understanding express or implied that the prescribed resale prices should apply and that the defendant would consider those who failed to adhere to such prices as "undesirable customers":

(Letterhead of Colgate & Co.)

January 8, 1918.

GENTLEMEN:

Owing to the continued increase in cost of raw materials, we have advanced the price of our Laundry Products as follows:

	Cost to Jobber	Retail Selling Price All Quantities
Octagon Soap, Regular Size.....	\$5.20	\$5.65
Bee Soap	5.20	5.65
Octagon Soap Powder, 50's, Regular size	2.60	2.82½
Octagon Scouring Cleanser, 50 pkgs....	2.60	2.82½

As we are oversold we find it necessary to temporarily withdraw from the market both Octagon Soap and Octagon Soap Powder, Special 5c. Sizes.

THE ABOVE ARE NET PRICES, less 2% for cash. Carload allowance will be continued as before.

We have on hand unfilled orders for many thousands of boxes and realize that much of this soap has already been resold by jobbers. We shall bill it, when we make delivery, at the old price, and we recognize that jobbers must do the same; in cases where they have actually taken orders at the old price before notice of the present change.

BUT OUR POLICY IN REGARD TO RESALE PRICES REMAINS UNCHANGED.

The above prices are subject to withdrawal without notice.

Yours very truly,

Dic. LMCD-EMT.

COLGATE & Co.

and the defendant thereupon and thereafter furnished its soap to jobbers and wholesale dealers throughout the United States upon the understanding set forth in its said letter of January 8, 1918, that the jobbers and wholesale dealers would adhere to the prescribed resale prices, and in consideration of the understanding and agreement on the part of such jobbers and wholesale dealers that they would so adhere; and the said jobbers and wholesale dealers did thereupon generally and uniformly adhere to the prescribed resale prices.

And so the grand jurors, upon their oaths, do say that Colgate & Company, a corporation, on and after January 8, 1918, in the manner described in this count, in the District of New Jersey, unlawfully engaged in a combination in restraint of trade and commerce among the several States; against the peace and dignity of the United States and contrary to the statute in such case made and provided.

Count Sixteen.

The grand jurors here repeat and reallege, as fully as if here again set forth at length, all the allegations and charges contained in the preceding counts of this indictment; and thereupon they further find and present as follows:

That on January 25, 1918, the defendant sent out from its general offices at Jersey City, and deposited in the United States mails at that place, and caused to be communicated to R. Viener & Company, wholesale grocers at Natchez, Mississippi, a letter dated January 25, 1918, as follows:

"Information has reached us to the effect that our special five cent size Octagon Soap has been sold by you at \$3.95 per box. As this is only 5 cents above the price to jobbers, we are inclined to believe that if this statement is true that it has been owing to an error, or that it has not been intentional, as you will note that the selling price of this article is \$4.25 per box.

We shall be pleased to hear from you in regard to this matter."

and the defendant thus procured and accepted from the said R. Viener and Company a promise to adhere to the resale price prescribed by the defendant in a letter from that company dated January 30, 1918, as follows:

"Yours of the 25th, relative to small Octagon, received. We have no recollection of what you state therein, but shall observe your instructions in the future."

And so the grand jurors, upon their oaths, do say that the defendant on and between January 25, 1918, and January 30, 1918, in the District of New Jersey, in the manner described in this count, unlawfully engaged in a combination in restraint of trade and commerce among the several States; against the peace and dignity of the United States and contrary to the statute in such case made and provided.

Count Seventeen.

The grand jurors here repeat and reallege, as fully as if here again set forth at length, all the charges and allegations contained in the preceding counts of this indictment; and thereupon they further find and present as follows:

That, on March 15, 1918, the defendant sent out from its general offices at Jersey City in this district, and there caused to be deposited in the United States mails, and caused to be communicated to the jobbers and wholesale dealers in its soap throughout the country, the following notice of further advances in prices from the defendant to the jobbers and wholesale dealers, and of further advances in the prescribed resale prices from the latter to the retail dealers, and of an "understanding" that the policy of Colgate and Company in regard to resale prices, in preceding counts of this indictment set forth, should remain unchanged, and upon the understanding, express or implied that the prescribed resale prices should apply and that the defendant would consider those who failed to adhere to such prices as "undesirable customers":

(Letterhead of Colgate & Co.)

March 15, 1918.

NORTH

GENTLEMEN:

We wish to announce that we are now in a position to receive orders for our Octagon Soap, Bee Soap, Octagon Soap Powder and Octagon Scouring Cleanser. It will, however, be necessary for us to reserve the right at this office to limit the size of all orders. We are still very largely oversold, and it is extremely difficult at this time to keep our factory running at full capacity owing to the shortage of materials, brought about by railroad embargoes. Added to this, it is of the foremost importance to promptly meet all demands of the Government for articles of our manufacture.

We wish, however, to state that we will do everything possible to keep our customers supplied with our goods, but we would ask your consideration for any unavoidable delays which may occur in filling your orders. The war has brought about many conditions beyond our control.

Our new schedule of prices (subject to withdrawal without notice) will be as follows:

	Cost	Retail Selling Price
	to	All
	Jobber	Quantities
Octagon Soap, Regular Size, 100c.....	\$5.50	\$6.00
Bee Soap, 100c.....	5.50	6.00
Octagon Soap Powder, 50 pkgs.....	2.75	3.00
Octagon Scouring Cleanser, 50 pkgs....	2.60	2.85½

We have on hand unfilled orders for many thousands of boxes and realize that much of this soap has already been resold by jobbers. We shall bill it, when we make delivery, at the old price, and recognize that jobbers must do the same, in cases where they have actually taken orders at the old price before notice of the present change.

Terms of sale also our policy in regard to resale prices remains unchanged.

Yours very truly,
COLGATE & CO.

And the defendant thereupon and thereafter furnished its soap to jobbers and wholesale dealers throughout the United States upon the understanding set forth in its said letter of March 15, 1918, that the jobbers and wholesale dealers would adhere to the prescribed resale prices, and in consideration of the understanding and agreement on the part of such jobbers and wholesale dealers that they would so adhere; and the said jobbers and wholesale dealers did thereupon generally and uniformly adhere to the prescribed resale prices.

And so the grand jurors, upon their oaths, do say that Colgate & Company, a corporation, on and after March 15, 1918, in the manner described in this count, in the District of New Jersey, unlawfully engaged in a combination in restraint of trade and commerce among the several States; against the peace and dignity of the United States and contrary to the statute in such case made and provided.

Count Eighteen.

The grand jurors here repeat and reallege, as fully as if here again set forth at length, all the allegations and charges contained in the preceding counts of this indictment; and thereupon they further find and present as follows:

That the defendant, on May 27, 1918, deposited in the United States mails, at and from its general offices in Jersey City, in this District, and caused to be communicated to Mervine-Kahn Co., wholesale grocers of Rayne, Louisiana, a request for the promise of that company to adhere to the resale prices prescribed by the defendant, as follows:

Word has reached us that you are selling Octagon Soap at prices below those mentioned on our price list enclosed. We thought perhaps that if such is the case it may have been

through oversight or error. Will you kindly advise, and oblige.

And the defendant thus procured and accepted from the said Mervine-Kahn Company the promise of that Company to adhere to the prescribed resale prices, in consideration of being furnished with defendant's soap, contained in a letter from that Company to the defendant, dated May 31, 1918, as follows:

"We have your letter of May 27th. There must surely be some error in the report of our selling Octagon Soap below the list price. We are always careful to maintain the price set by you. Assuring you that we will continue to do so, we are

Yours truly,
MERVINE-KAHN COMPANY."

and thereupon and thereafter the defendant furnished soap to the said Mervine-Kahn Company in consideration of the said promise of that Company to adhere to the prescribed resale prices.

And so the grand jurors, upon their oaths, do say that the defendant on and between May 27, 1918, and May 31, 1918, in the District of New Jersey, in the manner described in this count, unlawfully engaged in a combination in restraint of trade and commerce among the several States; against the peace and dignity of the United States and contrary to the form of the statute in such case made and provided.

Count Nineteen.

The grand jurors here repeat and reallege, as fully as if here again set forth at length, all the charges and allegations contained in the preceding counts of this indictment; and thereupon they further find and present as follows:

That, on August 15, 1918, the defendant sent out from its general offices at Jersey City in this district, and there caused to be deposited in the United States mails, and caused to be communicated to the jobbers and wholesale dealers in its soap

throughout the country, the following notice of further advances in prices from the defendant to the jobbers and wholesale dealers, and of further advances in the prescribed resale prices from the latter to the retail dealers, and of an "understanding" that the policy of Colgate & Company in regard to resale prices, in preceding counts of this indictment set forth, should remain unchanged, and upon the understanding, express or implied, that the prescribed resale prices should apply and that the defendant would consider those who failed to adhere to such prices as "undesirable customers":

(Letterhead of Colgate & Co.)

Aug. 15, 1918.

GENTLEMEN:

Effective today and subject to withdrawal without notice, the following goods are offered at the prices indicated below:

	Cost to Jobber	Retail Selling Price All Quantities
Octagon Soap, 100c.....	\$6.10	\$6.70
Octagon Soap Powder, 50 pkgs.....	3.05	3.35
Octagon Scouring Cleanser, 50 pkgs....	2.40	2.65

OCTAGON SOAP POWDER, SPECIAL 5c SIZE, is withdrawn from the market indefinitely.

Orders will be accepted for immediate delivery only and prompt shipment will be made if possible. Attention, however, is called to the fact that delays will probably occur from time to time on account of embargoes and other unforeseen conditions resulting from the war.

To insure our customers of an equitable distribution of the above products, we reserve the right at this office to limit the size of all orders. Our terms of sale and also our policy in regard to resale prices remain unchanged.

Yours very truly,

COLGATE & Co.

LMcD-EMT.

and the defendant thereupon and thereafter furnished its soap to jobbers and wholesale dealers throughout the United States upon the understanding set forth in its said letter of August 15, 1918, that the jobbers and wholesale dealers would adhere to the prescribed resale prices, and in consideration of the understanding and agreement on the part of such jobbers and wholesale dealers that they would so adhere; and the said jobbers and wholesale dealers did thereupon generally and uniformly adhere to the prescribed resale prices.

And so the grand jurors, upon their oaths, do say that Colgate & Company, a corporation, on and after August 15, 1918, in the manner described in this count, in the District of New Jersey, unlawfully engaged in a combination in restraint of trade and commerce among the several States; against the peace and dignity of the United States and contrary to the statute in such case made and provided.

Count Twenty.

The grand jurors here repeat and reallege, as fully as if here again set forth at length, all the charges and allegations contained in the preceding counts of this indictment; and thereupon they further find and present as follows:

That, on November 15, 1918, the defendant sent out from its general offices at Jersey City in this district, and there caused to be deposited in the United States mails, and caused to be communicated to the jobbers and wholesale dealers in its soap throughout the country, the following notice of further advances in prices from the defendant to the jobbers and wholesale dealers, and of further advances in the prescribed resale prices from the latter to the retail dealers, and of an "understanding" that the policy of Colgate & Company in regard to resale prices, in preceding counts of this indictment set forth, should remain unchanged, and upon the understanding express or implied that the prescribed resale prices should apply and that the defendant would consider those who failed to adhere to such prices as "undesirable customers":

(Letterhead of Colgate & Co.)

November 15, 1918.

GENTLEMEN:

Effective today and subject to withdrawal without notice, the following goods are offered at the prices indicated below:

	Cost	Selling Price
	to	All
	Jobber	Retail
	Quantities	
Octagon Soap, 100c.....	\$6.70	\$7.45
Bee Soap, 100c.....	6.70	7.45
Octagon Soap Powder, 50 pkgs.....	3.35	3.72½
Octagon Scouring Cleanser, 50 pkgs....	2.50	2.75

Orders will be accepted for immediate delivery only, although we have unfilled orders which will have to be delivered ahead of new orders.

Up to the present it has been the policy of Colgate & Co. to protect the jobber upon all declines in prices, as we have felt that wholesalers purchasing liberally for stock for resale to the retail trade should be protected against loss.

It is still our policy that the wholesaler cooperating with the manufacturer in the distribution of his goods should be protected, but owing to the conditions brought about by the war we are extremely desirous that jobbers purchase only sufficient goods to fill immediate orders.

To encourage this and to discourage any attempt to speculate we will until further notice only guarantee prices for thirty days from date of invoice.

Thus in the event of a decline the only goods subject to rebate would be those shipped and billed within a period of thirty days prior to date of reduction in price. This is to apply to orders for jobbers' stock only and will not apply to drop shipments.

We are notifying our customers at this time when although peace is now assured there is no immediate prospect of a decline in the price of soap.

Our terms of sale and also our policy in regard to resale prices remain unchanged.

Yours very truly,

COLGATE & Co.

LMcD-EMT.

and the defendant thereupon and thereafter furnished its soap to jobbers and wholesale dealers throughout the United States upon the understanding set forth in its said letter of November 15, 1918, that the jobbers and wholesale dealers would adhere to the prescribed resale prices, and in consideration of the understanding and agreement on the part of such jobbers and wholesale dealers that they would so adhere; and the said jobbers and wholesale dealers did thereupon generally and uniformly adhere to the prescribed resale prices.

And so the grand jurors, upon their oaths, do say that Colgate & Company, a corporation, on and after November 15, 1918, in the manner described in this count, in the District of New Jersey, unlawfully engaged in a combination in restraint of trade and commerce among the several States; against the peace and dignity of the United States and contrary to the statute in such case made and provided.

Count Twenty-one.

The grand jurors here repeat and reallege, as fully as if here again set forth at length, all the allegations and charges contained in the preceding counts of this indictment; and thereupon they further find and present as follows:

That the defendant, on or about February 7, 1919, procured and accepted from Stein-Pierce Company, wholesale grocers, of Vicksburg, Mississippi, the promise of that company to adhere to the resale prices prescribed by the defendant, in a letter dated February 7, 1919, as follows:

COLGATE & COMPANY,
New York.

We have your letter of the 3rd and we are very glad in-

deed that you find that we are not subject to price cutting, and we assure you, gentlemen, that we shall always remain in line with lists put out by yourselves.

Yours very truly,

STEIN-PIERCE Co.,

Per S.

And thereupon and thereafter the defendant furnished soap to the said Stein-Pierce Company in consideration of its said promise to adhere to the prescribed resale prices.

And so the grand jurors, upon their oaths, do say that the defendant on and about February 7, 1919, in the District of New Jersey, in the manner described in this count, unlawfully engaged in a combination in restraint of trade and commerce among the several States; against the peace and dignity of the United States and contrary to the statute in such case made and provided.

Count Twenty-two.

The grand jurors here repeat and reallege, as fully as if here again set forth at length, all the charges and allegations contained in the preceding counts of this indictment; and thereupon they further find and present as follows:

That on February 15, 1919, the defendant sent out from its general offices at Jersey City in this district, and there caused to be deposited in the United States mails, and caused to be communicated to the jobbers and wholesale dealers in its soap throughout the country, the following notice of reduction in prices from the defendant to the jobbers and wholesale dealers, and of reduction in the prescribed resale prices from the latter to the retail dealers, and of an "understanding" that the policy of Colgate & Company in regard to resale prices in preceding counts of this indictment set forth, should remain unchanged and upon the understanding, express or implied, that the prescribed resale prices should apply and that the defendant would consider those who failed to adhere to such prices as "undesirable customers":

COLGATE & COMPANY

NEW YORK, Feb. 15, 1919.

TO THE WHOLESALE GROCERS:

We are pleased to be able to announce a reduction in price of

OCTAGON SOAP

BEE SOAP

New Price to Jobber, per box 100 cakes..... \$6.10

New Price to Retailer, per box 100 cakes..... 6.75

Subject to the same terms and car lot allowance as heretofore.

All jobbers' stocks on hand, bought at higher prices, are subject to rebate to cover reduction in price.

Please report promptly claim for rebate, using enclosed form.

Yours very truly,

COLGATE & Co.

All Territory east of Mississippi River except New York City, Metropolitan section.

and the defendant thereupon and thereafter furnished its soap to jobbers and wholesale dealers throughout the United States upon the understanding set forth in its said notice of February 15, 1919, that the jobbers and wholesale dealers would adhere to the prescribed resale prices and in consideration of the understanding and agreement on the part of such jobbers and wholesale dealers that they would so adhere; and the said jobbers and wholesale dealers did thereupon generally and uniformly adhere to the prescribed resale prices.

And so the grand jurors, upon their oaths, do say that Colgate & Company, a corporation, on and after February 15, 1919, in the manner described in this count, in the District of New Jersey, unlawfully engaged in a combination in restraint of trade and commerce among the several States; against the peace and dignity of the United States and contrary to the statute in such case made and provided.

Count Twenty-three.

The grand jurors here repeat and reallege, as fully as if here again set forth at length, all the charges and allegations contained in the preceding counts of this indictment; and thereupon they further find and present as follows:

That, on March 5, 1919, the defendant sent out from its general offices at Jersey City in this district, and there caused to be deposited in the United States mails, and caused to be communicated to the jobbers and wholesale dealers in its soap throughout the country, the following notice of reduction in prices from the defendant to the jobbers and wholesale dealers, and of reduction in the prescribed resale prices from the latter to the retail dealers and of an "understanding" that the policy of Colgate & Company in regard to resale prices in preceding counts of this indictment set forth, should remain unchanged and upon the understanding, express or implied, that the prescribed resale prices should apply and that the defendant would consider those who failed to adhere to such prices as "undesirable customers."

COLGATE & COMPANY

NEW YORK, March 5, 1919.

TO THE WHOLESALE GROCERS:

We are pleased to be able to announce a reduction in price of

OCTAGON SOAP

BEE SOAP

New price to Jobber per box 100 cakes.....\$5.20

New price to Retailer per box 100 cakes..... 5.75

OCTAGON SOAP POWDER

New price to Jobber per box 50 packages.....\$2.60

New price to Retailer per box 50 packages..... 2.87½

Subject to the same terms and car-lot allowance as heretofore.

All jobbers' stocks on hand, bought at higher prices, subject to rebate to cover reduction in price.

Please report promptly all claims for rebate using en-

closed form. NO CLAIM FOR REBATE ON THIS REDUCTION ALLOWED AFTER APRIL 1, 1919.

Yours very truly,

COLGATE & Co.

All territory east of Mississippi River except New York City and metropolitan section.

and the defendant thereupon and thereafter furnished its soap to jobbers and wholesale dealers throughout the United States upon the understanding set forth in its said notice of March 5, 1919, that the jobbers and wholesale dealers would adhere to the prescribed resale prices, and in consideration of the understanding and agreement on the part of such jobbers and wholesale dealers that they would so adhere; and the said jobbers and wholesale dealers did thereupon generally and uniformly adhere to the prescribed resale prices.

And so the grand jurors, upon their oaths, do say that Colgate & Company, a corporation, on and after March 5, 1919, in the manner described in this count, in the District of New Jersey, unlawfully engaged in a combination in restraint of trade and commerce among the several States; contrary to the statute in such case made and provided and against the peace and dignity of the United States.

Count Twenty-four.

The grand jurors here repeat and reallege, as fully as if here again set forth at length, all the charges and allegations contained in the preceding counts of this indictment; and thereupon they further find and present as follows:

That on April 4, 1919, the defendant sent out from its general offices at Jersey City in this district, and there caused to be deposited in the United States mails, and caused to be communicated to the jobbers and wholesale dealers in its soap throughout the country, the following notice of further advances in prices from the defendant to the jobbers and wholesale dealers, and of further advances in the prescribed resale prices from the latter to the retail dealers and of an "understanding" that the policy of

Colgate & Company in regard to resale prices, in preceding counts of this indictment set forth, should remain unchanged, and upon the understanding express or implied that the prescribed resale prices should apply and that the defendant would consider those who failed to adhere to such prices as "undesirable customers":

(Letterhead of Colgate & Co.)

April 4, 1919.

GENTLEMEN:

Confirming wire of date

Effective to-day the following items are offered at prices indicated below.

Octagon Soap, regular size, \$5.45, selling price, \$6.00
 Bee Soap, regular size, 5.45, selling price, 6.00
 Octagon Powder, regular size, 2.75½, selling price, 3.00

The above increase in prices are made necessary owing to the increased cost of raw materials.

Price lists furnished upon request.

Yours very truly,

LMcD-EMT.

COLGATE & Co.

and the defendant thereupon and thereafter furnished its soap to jobbers and wholesale dealers throughout the United States upon the understanding set forth in its said letter of April 4, 1919, that the jobbers and wholesale dealers would adhere to the prescribed resale prices, and in consideration of the understanding and agreement on the part of such jobbers and wholesale dealers that they would so adhere; and the said jobbers and wholesale dealers did thereupon generally and uniformly adhere to the prescribed resale prices.

And so the grand jurors, upon their oaths, do say that Colgate & Company, a corporation, on and after April 4, 1919, in the manner described in this count, in the District of New Jersey, unlawfully engaged in a combination in restraint of trade and commerce among the several States; against the peace and dignity of the United States and contrary to the statute in such case made and provided.

Count Twenty-five.

The grand jurors here repeat and reallege, as fully as if here again set forth at length, all the charges and allegations contained in the preceding counts of this indictment; and thereupon they further find and present as follows:

That, on April 24, 1919, the defendant sent out from its general offices at Jersey City in this district, and there caused to be deposited in the United States mails, and caused to be communicated to the jobbers and wholesale dealers in its soap throughout the country, the following notice of further advances in prices from the defendant to the jobbers and wholesale dealers, and of further advances in the prescribed resale prices from the latter to the retail dealers, and of an "understanding" that the policy of Colgate & Company in regard to resale prices, in preceding counts of this indictment set forth, should remain unchanged and upon the understanding, express or implied, that the prescribed resale prices should apply and that the defendants would consider those who failed to adhere to such prices as "undesirable customers":

(Letterhead of Colgate & Co.)

April 24, 1919.

GENTLEMEN:

Confirming wire of date

Effective to-day and subject to withdrawal without notice prices advanced as follows:

Octagon Soap, regular size, \$5.60, selling price, \$6.20
 Octagon Powder, regular size, 2.80, selling price, 3.10
 Octagon White Floating Soap, 5.60, selling price, 6.20

The above increase in prices are made necessary owing to the increased cost of raw materials.

Price lists furnished upon request.

Yours very truly,

LMcD-EMT.

COLGATE & Co.

and the defendant thereupon and thereafter furnished its soap to jobbers and wholesale dealers throughout the United States

upon the understanding set forth in its said letter of April 24, 1919, that the jobbers and wholesale dealers would adhere to the prescribed resale prices, and in consideration of the understanding and agreement on the part of such jobbers and wholesale dealers that they would so adhere; and the said jobbers and wholesale dealers did thereupon generally and uniformly adhere to the prescribed resale prices.

And so the grand jurors, upon their oaths, do say that Colgate & Company, a corporation, on and after April 24, 1919, in the manner described in this count, in the District of New Jersey, unlawfully engaged in a combination in restraint of trade and commerce among the several States; contrary to the statute in such case made and provided and against the peace and dignity of the United States.

Count Twenty-six.

The grand jurors here repeat and reallege, as fully as if here again set forth at length, all the charges and allegations contained in the preceding counts of this indictment; and thereupon they further find and present as follows:

That, on May 5, 1919, the defendant sent out from its general offices at Jersey City in this district, and there caused to be deposited in the United States mails, and caused to be communicated to the jobbers and wholesale dealers in its soap throughout the country, the following notice of further advances in prices from the defendant to the jobbers and wholesale dealers, and of further advances in the prescribed resale prices from the latter to the retail dealers, and of an "understanding" that the policy of Colgate & Company in regard to resale prices, in preceding counts of this indictment set forth, should remain unchanged and upon the understanding, express or implied, that the prescribed resale prices should apply and that the defendant would consider those who failed to adhere to such prices as "undesirable customers."

(Letterhead of Colgate & Co.)

May 5, 1919.

GENTLEMEN:

Confirming wire of date

Effective to-day and subject to withdrawal without notice prices advanced as follows:

Octagon Soap, regular size, \$5.85, selling price, \$6.45
 Octagon Powder, regular size, 2.92½, selling price, 3.22½
 Octagon White Floating Soap, 5.85, selling price, 6.45
 No change in Scouring Cleanser or Special Octagon Powder.

The above increase in prices is made necessary owing to the increased cost of raw materials.

Price lists furnished upon request.

Yours very truly,

LMcD-EMT.

COLGATE & Co.

and the defendant thereupon and thereafter furnished its soap to jobbers and wholesale dealers throughout the United States upon the understanding set forth in its said letter of May 5, 1919, that the jobbers and wholesale dealers would adhere to the prescribed resale prices, and in consideration of the understanding and agreement on the part of such jobbers and wholesale dealers that they would so adhere; and the said jobbers and wholesale dealers did thereupon generally and uniformly adhere to the prescribed resale prices.

And the grand jurors, upon their oaths, do say that Colgate & Company, a corporation, on and after May 5, 1919, in the manner described in this count, in the District of New Jersey, unlawfully engaged in a combination in restraint of trade and commerce among the several States; against the peace and dignity of the United States and contrary to the statute in such case made and provided.

Count Twenty-seven.

The grand jurors here repeat and reallege, as fully as if here again set forth at length, all the charges and allegations contained

in the preceding counts of this indictment; and thereupon they further find and present as follows:

That, on May 22, 1919, the defendant sent out from its general offices at Jersey City in this district, and there caused to be deposited in the United States mails, and caused to be communicated to the jobbers and wholesale dealers in its soap throughout the country, the following notice of further advances in price from the defendant to the jobbers and wholesale dealers, and of further advances in the prescribed resale prices from the latter to the retail dealers, and of an "understanding" that the policy of Colgate & Company in regard to resale prices, in preceding counts of this indictment set forth, should remain unchanged and upon the understanding, express or implied, that the prescribed resale prices should apply and that the defendant would consider those who failed to adhere to such prices as "undesirable customers."

(Letterhead of Colgate & Co.)

May 22, 1919.

GENTLEMEN:

Confirming wire of date . . .

Effective today and subject to withdrawal without notice prices advanced as follows:

Octagon Soap, regular size, \$6.00, selling price, \$6.60

Octagon White Floating Soap, 6.00, selling price, 6.60

No change in Powder or Scouring Cleanser.

The above increase in prices is made necessary owing to the increased cost of raw materials.

Price lists furnished upon request.

Yours very truly,

LMcD-EMT.

COLGATE & Co.

and the defendant thereupon and thereafter furnished its soap to jobbers and wholesale dealers throughout the United States upon the understanding set forth in its said letter of May 22, 1919, that the jobbers and wholesale dealers would adhere to the prescribed resale prices, and in consideration of the understanding and agreement on the part of such jobbers and wholesale dealers that they would so adhere; and the said jobbers and wholesale

dealers did thereupon generally and uniformly adhere to the prescribed resale prices.

And so the grand jurors, upon their oaths, do say that Colgate & Company, a corporation, on and after May 22, 1919, in the manner described in this count, in the District of New Jersey, unlawfully engaged in a combination in restraint of trade and commerce among the several States; against the peace and dignity of the United States and contrary to the statute in such case made and provided.

Count Twenty-eight.

The grand jurors here repeat and reallege, as fully as if here again set forth at length, all the allegations and charges contained in the preceding counts of this indictment; and thereupon they further find and present as follows:

That on June 2, 1919, the defendant deposited in the United States mails, from and at its general offices at Jersey City in this District, and caused to be communicated to the Cherry Wholesale Grocery Company, wholesale grocers of Morehead City, North Carolina, a request for the assurance of that Company that it would adhere to the resale prices prescribed by the defendant in a letter dated June 2, 1919, as follows:

We are in receipt of information that you are selling Octagon Soap at \$5.90 per case. Inasmuch as the selling price today is \$6.60, we thought perhaps you are somewhat in doubt as to our selling price at this time. We have never had a \$5.90 selling price to the retail trade, and we will be pleased to hear from you.

And the defendant thus procured and accepted from the Cherry Wholesale Grocery Company its promise to adhere to the resale prices prescribed by the defendant in consideration of being furnished with defendant's soap, in a letter from that Company dated June 6, 1919, as follows:

We just received your letter stating we have been selling

Octagon Soap at \$5.90; it is true we have. . . But we did not know at that time you ruled the prices. The soap cost us \$5.40. We have not been in business but two months. We are very sorry that this happened, but will guarantee you that this will happen no more.

Yours very truly,

CHERRY WHOLESALE GROCERY.

And thereupon and thereafter defendant furnished its soap to the said Cherry Wholesale Grocery Company in consideration of the said promise of that Company to adhere to the said resale prices prescribed by the defendant.

And so the grand jurors, upon their oaths, do say that the defendant on and about June 6, 1919, in the District of New Jersey, in the manner described in this Count, unlawfully engaged in a combination in restraint of trade and commerce among the several States; against the peace and dignity of the United States and contrary to the statute in such case made and provided.

Count Twenty-nine.

The grand jurors here repeat and reallege, as fully as if here again set forth at length, all the allegations and charges contained in the preceding counts of this indictment; and thereupon they further find and present as follows:

That the defendant, on June 3, 1919, sent out from its general offices at Jersey City, and caused to be deposited in the United States mails at that place, and communicated to its selling agents and representatives throughout the United States, instructions for the guidance of such selling agents and representatives in procuring adherence on the part of the jobbers and wholesale dealers to the resale prices prescribed by the defendant, as follows:

When a dealer who has been cut off wants to be reinstated, and writes us to the effect that he agrees in the future to adhere to our prices, we reply that we can neither ask nor accept any agreement, but that we are glad to believe that he has come to think with us that adherence to our

suggested prices is the best and fairest policy, and are, therefore, filling his order; but that we shall not fill future orders if his methods of selling, in our judgment, prove detrimental to the trade.

Be careful, as you have been in the past, not to make agreements, and not to use the word "agree" in your letters on this subject. It is sufficient, if any customer who has been cut off wants to be reinstated, that you write us that he has expressed his intention to adhere to selling methods which do not injure the trade. All such matters should be referred, as heretofore, to this office.

And thereupon and thereafter the defendant's selling agents and representatives procured adherence to the prescribed resale prices on the part of wholesale dealers and jobbers by procuring statements and promises, written and oral, from the wholesale dealers and jobbers, that they would in the future adhere to the prescribed resale prices; and thereupon the defendant furnished soap to such wholesale dealers in consideration of such statements and promises.

And so the grand jurors, upon their oaths, do say that the defendant, on and after June 3, 1919, in the District of New Jersey, in the manner described in this Count, unlawfully engaged in a combination in restraint of trade and commerce among the several States; against the peace and dignity of the United States and contrary to the statute in such case made and provided.

Count Thirty.

The grand jurors here repeat and reallege, as fully as if here again set forth at length, all the charges and allegations contained in the preceding counts of this indictment; and thereupon they further find and present as follows:

That, on June 10, 1919, the defendant sent out from its general offices at Jersey City in this district, and there caused to be deposited in the United States mails, and caused to be communicated to the jobbers and wholesale dealers in its soap throughout the country, the following notice of further advances

in prices from the defendant to the jobbers and wholesale dealers, and of further advances in the prescribed resale prices from the latter to the retail dealers, and of an "understanding" that the policy of Colgate & Company in regard to resale prices, in preceding counts of this indictment set forth, should remain unchanged and upon the understanding, express or implied, that the prescribed resale prices should apply and that the defendant would consider those who failed to adhere to such prices as "undesirable customers."

(Letterhead of Colgate & Co.)

SOUTH

June 10, 1919.

GENTLEMEN:

Confirming wire of date . . .

Effective today and subject to withdrawal without notice prices advanced as follows:

Octagon Soap, regular size, \$6.15, selling price, \$6.80

Octagon White Floating Soap, 6.15, selling price, 6.80

No change in Powder or Scouring Cleanser.

Price lists furnished upon request.

Yours very truly,

COLGATE & Co.

LMcD-EMT.

and the defendant thereupon and thereafter furnished its soap to jobbers and wholesale dealers throughout the United States upon the understanding set forth in its said letter of June 10, 1919, that the jobbers and wholesale dealers would adhere to the prescribed resale prices, and in consideration of the understanding and agreement on the part of such jobbers and wholesale dealers that they would so adhere; and the said jobbers and wholesale dealers did thereupon generally and uniformly adhere to the prescribed resale prices.

And so the grand jurors, upon their oaths, do say that Colgate & Company, a corporation, on and after June 10, 1919, in the manner described in this count, in the District of New Jersey, unlawfully engaged in a combination in restraint of trade and

commerce among the several States; against the peace and dignity of the United States and contrary to the statute in such case made and provided.

Count Thirty-one.

The grand jurors here repeat and reallege, as fully as if here again set forth at length, all the charges and allegations contained in the preceding counts of this indictment; and thereupon they further find and present as follows:

That, on June 20, 1919, the defendant sent out from its general offices at Jersey City in this district, and there caused to be deposited in the United States mails, and caused to be communicated to the jobbers and wholesale dealers in its soap throughout the country, the following notice of further advances in prices from the defendant to the jobbers and wholesale dealers, and of further advances in the prescribed resale prices from the latter to the retail dealers, and of an "understanding" that the policy of Colgate & Company in regard to resale prices in preceding counts of this indictment set forth, should remain unchanged and upon the understanding, express or implied, that the prescribed resale prices should apply and that the defendant would consider those who failed to adhere to such prices as "undesirable customers."

(Letterhead of Colgate & Co.)

SOUTH

June 20, 1919.

GENTLEMEN:

Confirming wire of date . . .

Effective today and subject to withdrawal without notice prices advanced as follows:

Octagon Soap, regular size, \$6.30, selling price, \$6.95

Octagon White Floating Soap, 6.30, selling price, 6.95

No change in Powder or Scouring Cleanser.

Price lists furnished upon request.

Yours very truly,

COLGATE & Co.

LMcD-EMT.

and the defendant thereupon and thereafter furnished its soap to jobbers and wholesale dealers throughout the United States upon the understanding set forth in its said letter of June 20, 1919, that the jobbers and wholesale dealers would adhere to the prescribed resale prices, and in consideration of the understanding and agreement on the part of such jobbers and wholesale dealers that they would so adhere; and the said jobbers and wholesale dealers did thereupon generally and uniformly adhere to the prescribed resale prices.

And so the grand jurors, upon their oaths, do say that Colgate & Company, a corporation, on and after June 20, 1919, in the manner described in this count, in the District of New Jersey, unlawfully engaged in a combination in restraint of trade and commerce among the several States; against the peace and dignity of the United States and contrary to the statute in such case made and provided.

Count Thirty-two.

The grand jurors here repeat and reallege, as fully as if here again set forth at length, all the charges and allegations contained in the preceding counts of this indictment; and thereupon they further find and present as follows:

That on June 25, 1919, the defendant sent out from its general offices at Jersey City in this district, and there caused to be deposited in the United States mails, and caused to be communicated to the jobbers and wholesale dealers in its soap throughout the country, the following notice of further advances in prices from the defendant to the jobbers and wholesale dealers, and of further advances in the prescribed resale prices from the latter to the retail dealers, and of an "understanding" that the policy of Colgate & Company in regard to resale prices in preceding counts of this indictment, set forth, should remain unchanged and upon the understanding, express or implied, that the prescribed resale prices should apply and that the defendant would consider those who failed to adhere to such prices as "undesirable customers."

(Letterhead of Colgate & Co.)

June 25, 1919.

GENTLEMEN:

Confirming wire of date

Effective today and subject to withdrawal without notice, prices advance as follows:

Octagon Soap, regular size, \$6.50, selling price, \$7.15

Octagon White Floating Soap, 6.50, selling price, 7.15

Octagon Soap Powder, reg. size, 50s, 3.00, selling price, 3.30

No change in Special 5c Powder or Scouring Cleanser.

Price lists furnished upon request.

Yours very truly,

LMcD-EMT.

COLGATE & Co.

and the defendant thereupon and thereafter furnished its soap to jobbers and wholesale dealers throughout the United States upon the understanding set forth in its said letter of June 25, 1919, that the jobbers and wholesale dealers would adhere to the prescribed resale prices, and in consideration of the understanding and agreement on the part of such jobbers and wholesale dealers that they would so adhere; and the said jobbers and wholesale dealers did thereupon generally and uniformly adhere to the prescribed resale prices.

And so the grand jurors, upon their oaths; do say that Colgate & Company, a corporation, on and after June 25, 1919, in the manner described in this count, in the District of New Jersey, unlawfully engaged in a combination in restraint of trade and commerce among the several States; against the peace and dignity of the United States and contrary to the statute in such case made and provided.

Count Thirty-three.

The grand jurors here repeat and reallege, as fully as if here again set forth at length, all the allegations and charges contained in the preceding counts of this indictment; and thereupon they further find and present as follows:

That the defendant, on June 25, 1919, deposited in the United

States mails, from and at its general offices at Jersey City, in this District, and caused to be communicated to Jos. A. Goddard Company, wholesale grocers, at Muncie, Indiana, an invitation for the promise of that Company to adhere to the resale prices prescribed by the defendant contained in a letter dated June 25, 1919, as follows:

Information has reached us from our representative that you are quoting Octagon Soap through Minster and New Bremen, Ohio, at prices different from those represented on our list. Will you kindly advise if this has been done through oversight or error?

And the defendant thus procured from the said Jos. A. Goddard Company the promise of that Company to adhere to the prescribed resale prices in a letter from that Company dated June 27, 1919, as follows:

Your favor of the 25th at hand. . . . We will not follow your list as mailed us the 25th, making the same effective at once to all points.

and thereupon and thereafter the defendant furnished soap to the said Jos. A. Goddard Company, in consideration of the said promise of that Company to adhere to the prescribed resale prices.

And so the grand jurors, upon their oaths, do say that the defendant, on and between June 23, 1919, and June 27, 1919, in the District of New Jersey, in the manner described in this count, unlawfully engaged in a combination in restraint of trade and commerce among the several States; against the peace and dignity of the United States and contrary to the statute in such case made and provided.

Count Thirty-four.

The grand jurors here repeat and reallege, as fully as if here again set forth at length, all the charges and allegations contained in the preceding counts of this indictment; and thereupon they further find and present as follows:

That, on July 8, 1919, the defendant sent out from its general offices at Jersey City in this district, and there caused to be deposited in the United States mails, and caused to be communicated to the jobbers and wholesale dealers in its soap throughout the country, the following notice of further advances in prices from the defendant to the jobbers and wholesale dealers, and of further advances in the prescribed resale prices from the latter to the retail dealers, and of an "understanding" that the policy of Colgate & Company in regard to resale prices in preceding counts of this indictment set forth, should remain unchanged and upon the understanding, express or implied, that the prescribed resale prices should apply and that the defendant would consider those who failed to adhere to such prices as "undesirable customers."

(Letterhead of Colgate & Co.)

July 8, 1919.

GENTLEMEN:

Confirming wire of date . . .

Effective today and subject to withdrawal without notice, prices advanced as follows:

Octagon Soap, regular size,	\$6.90, selling price, \$7.60
Octagon White Floating Soap,	6.90, selling price, 7.60
Octagon Soap Powder, reg. size, 50s,	3.20, selling price, 3.55

No change in Special 5c Powder or Scouring Cleanser.
Price lists furnished upon request.

Yours very truly,

LMcD-EMT.

COLGATE & Co.

and the defendant thereupon and thereafter furnished its soap to jobbers and wholesale dealers throughout the United States upon the understanding set forth in the said letter of July 8, 1919, that the jobbers and wholesale dealers would adhere to the prescribed resale prices, and in consideration of the understanding and agreement on the part of such jobbers and wholesale dealers that they would so adhere; and the said jobbers and wholesale dealers did thereupon generally and uniformly adhere to the prescribed resale prices.

And so the grand jurors, upon their oaths, do say that Colgate & Company, a corporation, on and after July 8, 1919, in the manner described in this count, in the District of New Jersey, unlawfully engaged in a combination in restraint of trade and commerce among the several States; against the peace and dignity of the United States and contrary to the statute in such case made and provided.

Count Thirty-five.

The grand jurors here repeat and reallege, as fully as if here again set forth at length, all the charges and allegations contained in the preceding counts of this indictment; and thereupon they further find and present as follows:

That, on July 3, 1919, the defendant sent out from its general offices at Jersey City in this district, and there caused to be deposited in the United States mails, and caused to be communicated to the jobbers and wholesale dealers in its soap throughout the country, the following notice of change in prices from the defendant to the jobbers and wholesale dealers and of change in the prescribed resale prices from the latter to the retail dealers, and of an "understanding" that the policy of Colgate & Company in regard to resale prices, in preceding counts of this indictment set forth, should remain unchanged, and upon the understanding, express or implied, that the prescribed resale prices should apply and that the defendant would consider those who failed to adhere to such prices as "undesirable customers."

(Letterhead of Colgate & Co.)

July 3, 1919.

GENTLEMEN:

On account of the peculiar conditions existing at present owing to the many changes in prices since March 5th of the present year, we have found it very difficult to satisfactorily apply our "COLGATE PLAN" for the resale of our laundry products to the retail trade through jobbers.

In order to do justice to all concerned, especially the consumer, in the face of the very material increase in price of

soap stocks during the past three months, we wish to announce that we will not take exception to any jobber selling his stock of Octagon Soap to the retail trade on the basis of his purchase price as per schedule below.

We are in receipt of communications from many of our customers asking the privilege of offering these goods on a basis which would give them a very satisfactory profit, although under the price mentioned in our present price list. Under the present unusual conditions, this seems to us to be only fair.

We are, therefore, giving a schedule below showing the various prices at which Octagon Soap has been billed to the jobbers since the first of March, and opposite these prices are the corresponding selling prices effective at that time.

This is to be effective for the month of July only, at the end of which time our regular selling terms will be in effect, as we believe the thirty days ensuing will give the jobbing trade sufficient time to dispose of stocks which they have purchased at former prices, even though the goods may not be received by them from our Factory.

Cost to Jobber	Selling Price
\$5.20	\$5.75
5.45	6.00
5.60	6.20
5.85	6.45
6.00	6.60
6.15	6.75
6.30	6.95
6.50	7.15

As example—Soap purchased at \$6.00 may be sold at \$6.60, etc.

Yours very truly,

LMcD-EMT.

COLGATE & Co.

and the defendant thereupon and thereafter furnished its soap to jobbers and wholesale dealers throughout the United States upon the understanding set forth in its said letter of July 3, 1919, that

the jobbers and wholesale dealers would adhere to the prescribed resale prices, and in consideration of the understanding and agreement on the part of such jobbers and wholesale dealers that they would so adhere; and the said jobbers and wholesale dealers did thereupon generally and uniformly adhere to the prescribed resale prices.

And so the grand jurors, upon their oaths, do say that Colgate & Company, a corporation, on and after July 3, 1919, in the manner described in this count, in the District of New Jersey, unlawfully engaged in a combination in restraint of trade and commerce among the several States; against the peace and dignity of the United States and contrary to the statute in such case made and provided.

Count Thirty-six.

The grand jurors here repeat and reallege, as fully as if here again set forth at length, all the charges and allegations contained in the preceding counts of this indictment; and thereupon they further find and present as follows:

That, on July 12, 1919, the defendant sent out from its general offices at Jersey City in this district, and there caused to be deposited in the United States mails, and caused to be communicated to the jobbers and wholesale dealers in its soap throughout the country, the following notice of further advances in prices from the defendant to the jobber and wholesale dealers, and of further advances in the prescribed resale prices from the latter to the retail dealers, and of an "understanding" that the policy of Colgate & Company in regard to resale prices, in preceding counts of this indictment set forth, should remain unchanged, and upon the understanding, express or implied, that the prescribed resale prices should apply and that the defendant would consider those who failed to adhere to such prices as "undesirable customers":

(Letterhead of Colgate & Co.)

July 12, 1919.

GENTLEMEN:

Effective today and subject to withdrawal without notice

prices advanced as follows:

Octagon Soap, regular size, \$7.15, selling price, \$7.85

Octagon White Floating Soap, 7.15, selling price, 7.85

No change in Octagon Soap Powder or Scouring Cleanser.

Price lists furnished upon request.

Yours very truly,

LMcD-EMT.

COLGATE & Co.

and the defendant thereupon and thereafter furnished its soap to jobbers and wholesale dealers throughout the United States upon the understanding set forth in its said letter of July 12, 1919, that the jobbers and wholesale dealers would adhere to the prescribed resale prices, and in consideration of the understanding and agreement on the part of such jobbers and wholesale dealers that they would so adhere; and the said jobbers and wholesale dealers did thereupon generally and uniformly adhere to the prescribed resale prices.

And so the grand jurors, upon their oaths, do say that Colgate & Company, a corporation, on and after July 12, 1919, in the manner described in this count, in the District of New Jersey, unlawfully engaged in a combination in restraint of trade and commerce among the several States; against the peace and dignity of the United States and contrary to the statute in such case made and provided.

Count Thirty-seven.

The grand jurors here repeat and reallege, as fully as if here again set forth at length, all the charges and allegations contained in the preceding counts of this indictment; and thereupon they further find and present as follows:

That, on July 23, 1919, the defendant sent out from its general offices at Jersey City in this district, and there caused to be deposited in the United States mails, and caused to be communicated to the jobbers and wholesale dealers in its soap throughout the country, the following notice of further advances in prices from the defendant to the jobbers and wholesale dealers, and of further advances in the prescribed resale prices from the

latter to the retail dealers, and of an "understanding" that the policy of Colgate & Company in regard to resale prices, in preceding counts of this indictment set forth, should remain unchanged and upon the understanding, express or implied, that the prescribed resale prices should apply and that the defendant would consider those who failed to adhere to such prices as "undesirable customers":

(Letterhead of Colgate & Co.)

July 23, 1919.

GENTLEMEN:

Effective today and subject to withdrawal without notice prices advanced as follows:

Octagon Soap, regular size, \$7.40, selling price, \$8.15

Octagon White Floating Soap, 7.40, selling price, 8.15

No change in Octagon Soap Powder or Scouring Cleanser.

Price list furnished upon request.

Yours very truly,

LMcD-EMT.

COLGATE & Co.

and the defendant thereupon and thereafter furnished its soap to jobbers and wholesale dealers throughout the United States upon the understanding set forth in its said letter of July 23, 1919, that the jobbers and wholesale dealers would adhere to the prescribed resale prices, and in consideration of the understanding and agreement on the part of such jobbers and wholesale dealers that they would so adhere; and the said jobbers and wholesale dealers did thereupon generally and uniformly adhere to the prescribed resale prices.

And so the grand jurors, upon their oaths, do say that Colgate & Company, a corporation, on and after July 23, 1919, in the manner described in this count, in the District of New Jersey, unlawfully engaged in a combination in restraint of trade and commerce among the several States; against the peace and dignity of the United States and contrary to the statute in such case made and provided.

Count Thirty-eight.

The grand jurors here repeat and reallege, as fully as if here again set forth at length, all the allegations and charges contained in the preceding counts of this indictment; and thereupon they further find and present as follows:

That the defendant, on July 24, 1919, from and at its general offices at Jersey City, in this district, deposited in the United States mails, and caused to be communicated to A. Ehrlich & Bro. Grocery Company at Savannah, Georgia, a letter calling attention to alleged failure of that Company to adhere to the prescribed resale prices, and inviting a promise from that Company to adhere to the prescribed resale prices; and the defendant thus procured and accepted from that Company a promise to adhere to the prescribed resale prices contained in a letter dated July 30, 1919, as follows:

We have yours of the 24th inst. . . . Wish to go on record that we will abide by your selling arrangements.

and thereupon and thereafter the defendant furnished soap to the said A. Ehrlich & Bro. Grocery Company, in consideration of the said promise of that Company to adhere to the prescribed selling prices.

And so the grand jurors, upon their oaths, do say that the defendant on and between July 24, 1919, and July 30, 1919, in the District of New Jersey, in the manner prescribed in this count, unlawfully engaged in a combination in restraint of trade and commerce among the several States; against the peace and dignity of the United States and contrary to the statute in such case made and provided.

Count Thirty-nine.

The grand jurors here repeat and reallege, as fully as if here again set forth at length, all the charges and allegations contained in the preceding counts of this indictment; and thereupon they further find and present as follows:

That, on July 31, 1919, the defendant sent out from its general offices at Jersey City in this district, and there caused to be deposited in the United States mails, and caused to be communicated to the jobbers and wholesale dealers in its soap throughout the country, the following notice of change in prices from the defendant to the jobbers and wholesale dealers and of change in the prescribed resale prices from the latter to the retail dealers, and of an "understanding" that the policy of Colgate & Company in regard to resale prices, in preceding counts of this indictment set forth, should remain unchanged, and upon the understanding, express or implied, that the prescribed resale prices should apply and that the defendant would consider those who failed to adhere to such prices as "undesirable customers":

(Letterhead of Colgate & Co.)

July 31, 1919.

DEAR SIRs:

The temporary change in sales policy announced to you in our letter of July 3, wherein we advised that we would not consider it inconsistent with our selling plan if jobbers felt inclined to offer their stock and undelivered orders of our laundry soaps and powders to retailers on the basis of cost, has proved so popular with the majority of our jobbing customers that we have decided to approve the suggestion that this sales policy be continued until September 1.

Owing to the unprecedented number of price changes, this sales policy will tend to stabilize prices on the present high level, by retiring a large part of the stocks of jobbers at low prices.

Despite the maximum output of our factory, we are very largely oversold and we believe our jobbers will welcome the extension of a temporary sales policy which permits them to sell against large stocks bought at low prices, which means a quick turnover at normal profit as well as an equitable and fair selling price to retailer and consumer.

For your convenience we submit below a record of price changes, since March 5, with the corresponding selling prices opposite.

After September 1 our regular selling plan will be in effect, as we are confident that all jobbers' purchases at previous prices will be sold to retailers before that date.

Yours very truly,

COLGATE & Co.

LMcD-EMT.

Date	Cost to Jobber	Selling Price
March 5.....	\$5.20	\$5.75
April 4.....	5.45	6.00
" 24.....	5.60	6.20
May 5.....	5.85	6.45
" 22.....	6.00	6.60
June 10.....	6.15	6.75
" 20.....	6.30	6.95
" 25.....	6.50	7.15
July 8.....	6.90	7.60
" 12.....	7.15	7.85
" 23.....	7.40	8.15

and the defendant thereupon and thereafter furnished its soap to jobbers and wholesale dealers throughout the United States upon the understanding set forth in its said letter of July 31, 1919, that the jobbers and wholesale dealers would adhere to the prescribed resale prices, and in consideration of the understanding and agreement on the part of such jobbers and wholesale dealers that they would so adhere; and the said jobbers and wholesale dealers did thereupon generally and uniformly adhere to the prescribed resale prices.

And so the grand jurors, upon their oaths, do say that Colgate & Company, a corporation, on and after July 31, 1919, in the manner described in this count, in the District of New Jersey, unlawfully engaged in a combination in restraint of trade and commerce among the several States; against the peace and dignity of the United States and contrary to the statute in such case made and provided.

Count Forty.

The grand jurors here repeat and reallege, as fully as if here again set forth at length, all the allegations and changes contained in the preceding counts of this indictment; and thereupon they further find and present as follows:

That the defendant, on August 25, 1919, sent out from its general offices at Jersey City, in this District, and there caused to be deposited in the United States mails, and caused to be communicated to its selling agents and representatives throughout the United States, the following further instructions as to the methods to be pursued by such selling agents and representatives in procuring adherence on the part of wholesale dealers and jobbers to the prescribed resale prices, in a letter dated August 25, 1919, as follows:

When it becomes necessary to discuss this subject with a customer, it is sufficient to call his attention to the fact that he is cutting prices, or express regret that he is doing so, or ask him whether he thinks it is good business. If he then satisfies you that he intends to adhere to our prices, it is sufficient for you to notify us to that effect. You need not ask him for a "promise" or "assurance," and we do not expect you to report any such promises or assurances to us. All such words are to be kept out of your conversation with your customers and your correspondence with us. It is sufficient for you to notify us that the customer intends to adhere to prices, and that he has, in fact, changed his prices, if such be the case. On the other hand, you may notify us that you do not believe that it is his intention to maintain prices, if that be the fact.

We appreciate, of course, that you cannot control what the customer may say to you. But you can avoid the appearance of entering into an agreement with him. The following paragraph will illustrate how we deal from this office with customers who write in that they "promise" or "agree" to maintain prices:

"We note that you say that you promise (or agree,

etc., as the case may be) that you will maintain prices in the future. We are pleased to accept this as the statement of your intentions. We do not ask, nor can we accept, any agreement from you. For the protection of customers and ourselves against unfair price cutting, however, we decline to sell to those who engage in that practice."

and thereupon and thereafter the defendant's selling agents and representatives, in the manner indicated in the foregoing instructions, procured agreements and promises from the wholesale dealers and jobbers that they would in the future adhere to the prescribed resale prices, in consideration of being furnished with defendant's soap; and the defendant, in consideration of such agreements and promises, furnished soap to the wholesale dealers and jobbers who made such agreements and promises.

And so the grand jurors, upon their oaths, do say that the defendant, on and after August 25, 1919, in the District of New Jersey, in the manner described in this count, unlawfully engaged in a combination in restraint of trade and commerce among the several States; against the peace and dignity of the United States and contrary to the statute in such case made and provided.

Count Forty-one.

The grand jurors here repeat and reallege, as fully as if here again set forth at length, all the charges and allegations contained in the preceding counts of this indictment; and thereupon they further find and present as follows:

That, on November 13, 1919, the defendant sent out from its general offices at Jersey City in this district, and there caused to be deposited in the United States mails, and caused to be communicated from the defendant to the jobbers and wholesale dealers in its soap throughout the country, the following notice, stating the policy of the defendant in the prescribed resale prices from the jobbers and wholesale dealers to the retail dealers, of an "understanding" that the policy of Colgate & Company in regard to resale prices, in preceding counts of this indictment set forth,

should remain unchanged, and upon the understanding, express or implied, that the prescribed resale prices should apply and that the defendant would consider those who failed to adhere to such prices as "undesirable customers":

(Letterhead of Colgate & Co.)

November 13, 1919.

DEAR SIRS:

In view of the fact that a considerable number of wholesale grocers seem to be confused in regard to the selling plan which was inaugurated by us for the months of July and August, we are sending this circular letter for the purpose of calling attention to the fact that this special policy expired on September 1, since which period our regular selling plan has been in effect.

The present trend of the market does not warrant any anticipation of an immediate decline in prices and we fully believe that the vast majority of wholesalers have disposed of all of our products which they may have purchased at low prices and are now working on the goods purchased on the present basis.

In view of the high cost of doing business, we feel that jobbers should be protected in their effort to secure a living profit upon the merchandise which they purchase from us and as our suggested selling prices are based upon a profit of about 10% on cost, we call attention to the fact that we shall select our customers only from those who observe our suggested resale prices.

Yours very truly,

LMcD-EMT.

COLGATE & Co.

and the defendant thereupon and thereafter furnished its soap to jobbers and wholesale dealers throughout the United States upon the understanding set forth in its said letter of November 13, 1919, that the jobbers and wholesale dealers would adhere to the prescribed resale prices, and in consideration of the understanding and agreement on the part of such jobbers and wholesale dealers that they would so adhere; and the said jobbers and

wholesale dealers did thereupon generally and uniformly adhere to the prescribed resale prices.

And so the grand jurors, upon their oaths, do say that Colgate & Company, a corporation, on and after November 13, 1919, in the manner described in this count, in the District of New Jersey, unlawfully engaged in a combination in restraint of trade and commerce among the several States; contrary to the statute in such case made and provided and against the peace and dignity of the United States.

Count Forty-two.

The grand jurors here repeat and reallege, as fully as if here again set forth at length, all the charges and allegations contained in the preceding counts of this indictment; and thereupon they further find and present as follows:

That, on November 21, 1919, the defendant sent out from its general offices at Jersey City in this district, and there caused to be deposited in the United States mails and caused to be communicated to the jobbers and wholesale dealers in its soap throughout the country, a notice, of which the following represents a part, with respect to the policy of the defendant in the matter of prices and with respect to the prescribed resale prices from the jobbers and wholesalers to the retail dealers, of an "understanding" that the policy of Colgate & Co. in regard to resale prices, in preceding counts of this indictment set forth, should remain unchanged, and upon the understanding, express or implied, that the prescribed resale prices should apply and that the defendant would consider those who failed to adhere to such prices as "undesirable customers."

(Letterhead of Colgate & Co.)

November 21, 1919.

GENTLEMEN:

Since sending our circular letter of November 13, we have received many favorable comments from the trade, from which we are taking the liberty of quoting the following paragraphs:

"We have before us copy of your letter of the 13th, calling attention to the discontinuance of your special selling policy, which expired on September 1. We feel that this letter is very timely and thank you very much for sending us a copy."

"We have your circular letter of November 13th, with reference to stabilization of prices. We think this is one of the best letters we have received from any manufacturer with whom we are doing business."

"We are in receipt of your circular letter of the 13th, and we wish to commend you on the stand which you have taken, and we believe that the same will be appreciated by the jobbers. Will you be so kind as to send us your suggested selling prices on the products which we handle? We wish to know that we have them listed correctly."

"We acknowledge yours of Nov. 13th and beg to say that we are much pleased with your action in requiring jobbers to maintain sale price on your commodities. This is entirely in accord with our wishes and we most heartily congratulate you upon your stand."

"We acknowledge receipt of your letter of the 13th and wish to express ourselves as thoroughly agreeing with your policy and to assure you of our maintenance of your list price."

"We are glad to receive your letter of November 13th, which we believe is going to be an improvement to what has gone forward, and we believe that some of the jobbers in our territory felt that conditions were still on the same basis of July and August. In fact, the writer is told they explain their selling prices in this manner, and we believe them to be good, law abiding citizens, good fellows in every way, and do not believe that they

would want to do anything to the detriment of anyone, for they realize the need of profit in business today as against the high cost of doing business as much as anyone."

We are also quoting a communication sent by one of the jobbers in Virginia to their salesman on November 14th, as per copy sent to us, as follows:

"We wish to call your attention to the fact that Colgate expects us to maintain their prices on their products and we therefore request that where you cannot secure the list price to pass up the business."

"We are in hearty sympathy with the stand that Colgate is taking, as we believe we are entitled to the amount of profit which they allow us."

"Furthermore, this is a concern that is standing right square behind the jobbers of this country, and are co-operating with the jobbers in securing a legitimate profit."

"In view of this fact we would appreciate it if you would place their goods in every store that you call upon, and never lose an opportunity to speak a good word for their products."

"We wish this organization to show its appreciation of the many good things that the Colgate Company is doing for the jobber by giving them their most enthusiastic and hearty support."

In view of the above testimonials sent to us voluntarily, we feel that we have correctly interpreted the wishes of the jobbing trade, as a whole, in both our July and August policy and the communication which we forwarded to our jobbing customers on November 13th.

Trusting that we may have your full co-operation and thanking you for past favors, we remain

Yours very truly,

COLGATE & Co.

LMcD-EMT.

and the defendant thereupon and thereafter furnished its soap to jobbers and wholesale dealers throughout the United States upon the understanding set forth in its said letter of November 21, 1919, that the jobbers and wholesale dealers would adhere to the prescribed resale prices, and in consideration of the understanding and agreement on the part of such jobbers and wholesale dealers that they would so adhere; and the said jobbers and wholesale dealers did thereupon generally and uniformly adhere to the prescribed resale prices.

And so the grand jurors, upon their oaths, do say that Colgate & Company, a corporation, on and after November 21, 1919, in the manner described in this count, in the District of New Jersey, unlawfully engaged in a combination in restraint of trade and commerce among the several States; against the peace and dignity of the United States and contrary to the statute in such case made and provided.

Count Forty-three.

The grand jurors here repeat and reallege, as fully as if here again set forth at length, all the allegations and charges contained in the preceding counts of this indictment; and thereupon they further find and present as follows:

That the defendant on December 2, 1919, deposited in the United States mails, from and at its general offices in Jersey City, in this District, and caused to be communicated to Egerton Bros., wholesale grocers, at Baltimore, Maryland, an invitation for a promise from that company to adhere to the prescribed resale prices in a letter dated December 2, 1919, as follows:

We are in receipt of information to the effect that you are quoting Octagon Soap at \$7.95 per box. Inasmuch as our selling price is \$8.15, we thought perhaps that this has been done through oversight or error, and we would be pleased to hear from you in regard to same.

And the defendant thus procured and accepted from the said Egerton Bros. a promise to adhere to the prescribed resale prices

in consideration of being furnished with defendant's soap, in a letter from that company dated December 6, 1919, as follows:

Answering your letter of the 2nd. . . . You can rest assured that all Octagon Soap that we sell from now on will be at your regular price, viz. \$8.15 or any other price that you might name later on.

And thereupon and thereafter the defendant furnished soap to the said Egerton Bros. in consideration of the said promise of that company to adhere to the prescribed resale prices.

And so the grand jurors, upon their oaths, do say that the defendant on and between December 2, 1919, and December 6, 1919, in the District of New Jersey, in the manner described in this count, unlawfully engaged in a combination in restraint of trade and commerce among the several States; against the peace and dignity of the United States, and contrary to the statute in such case made and provided.

Count Forty-four.

The grand jurors here repeat and reallege, as fully as if here again set forth at length, all the charges and allegations contained in the preceding counts of this indictment; and thereupon they further find and present as follows:

That the defendant on December 5, 1919, deposited in the United States mails at Jersey City, in this District, and caused to be communicated to Merritt & Co., wholesale dealers at Macon, Georgia, a letter calling attention to an alleged failure of that company to adhere to the prescribed resale prices, and inviting statement from that company that it would adhere to the prescribed resale prices in future; and the defendant thus procured from that company a statement that it would in future adhere to such prescribed resale prices in a letter dated December 11, 1919; as follows:

"In reply to your favor of the 5th relative to our sale of

Octagon Soap at \$7.75, beg to say that in the late summer we bought from another concern here 100 boxes at \$7.00, they being overloaded and wanting to raise some money. It was our impression that your selling price at that time was \$7.85, but under your selling arrangement then existing we were allowed to sell it on a basis of original purchase. Since closing out that lot, we have been conforming to your rule, and will continue to do so."

and thereupon and thereafter the defendant furnished soap to the said Merritt & Co. in consideration of the said promise of that company to adhere to the prescribed resale prices.

And so the grand jurors, upon their oaths, do say that the defendant on and about December 5 and December 11, 1919, in the District of New Jersey, in the manner described in this count, unlawfully engaged in a combination in restraint of trade and commerce among the several States; against the peace and dignity of the United States, and contrary to the statute in such case made and provided.

Count Forty-five.

The grand jurors here repeat and reallege, as fully as if here again set forth at length, all the allegations and charges contained in the preceding counts of this indictment; and thereupon they further find and present as follows:

That the defendant, on or about December 8, 1919, procured and accepted from Robinson, Tate & Co., wholesale grocers at Lynchburg, Virginia, the promise of that company to adhere to the prescribed resale prices, said promise being contained in a letter from that company to the defendant, dated December 8, 1919, as follows:

We have your letter of the 6th inst., stating that you have been informed that we have been offering Octagon Soap in single box lots at \$7.75. . . . We beg to advise that we will in the future adhere to the resale prices prescribed. . . .

And so the grand jurors, upon their oaths, do say that the defendant, on or about December 8, 1919, in the District of New Jersey, in the manner described in this count, unlawfully engaged in a combination in restraint of trade and commerce among the several States; against the peace and dignity of the United States, and contrary to the statute in such case made and provided.

Count Forty-six.

The grand jurors here repeat and reallege, as fully as if here again set forth at length, all the charges and allegations contained in the preceding counts of this indictment; and thereupon they further find and present as follows:

That on December 10, 1919, the defendant, from and at its general offices at Jersey City, in this District, deposited in the United States mails and caused to be communicated to Chapman Grocery Co., wholesale dealers at Forsyth, Georgia, an invitation to promise to adhere to prescribed resale prices, in a letter dated December 10, 1919, as follows:

Our attention has been called to an alleged sale by you to A. L. Ham, Snarrs, Ga., 5 boxes Octagon Soap, at \$7.85, date of invoice being November 18. In view of the fact that our present selling price to the retail dealer is \$8.15, based on the jobbers' cost of \$7.40, we think this may have been done through misunderstanding or error. We will be pleased to hear from you in regard to same.

Yours very truly,

COLGATE & Co.

and the defendant thus procured and accepted from the said Chapman Grocery Co., the declaration of that company that it was its intention to adhere to the prescribed resale prices, in consideration of being furnished with defendant's soap, in a letter dated December 13, 1919, as follows:

For your information our men have explicit orders not to sell Octagon at less than \$8.00 per box net (\$8.15-2%).

Assure you we do not care for the business at less than that price and that it is our intention to follow your suggested prices as outlined from time to time.

Very truly,
CHAPMAN GROCERY CO.

and thereupon and thereafter the defendant furnished its soap to the said Chapman Grocery Co. in consideration of the said promise of that company to adhere to the prescribed resale prices.

And so the grand jurors, upon their oaths, do say that the defendant on and about December 10 and 13, 1919, in the District of New Jersey, in the manner described in this count, unlawfully engaged in a combination in restraint of trade and commerce among the several States; against the peace and dignity of the United States, and contrary to the statute in such case made and provided.

Count Forty-seven.

The grand jurors here repeat and reallege, as fully as if here again set forth at length, all the charges and allegations contained in the preceding counts of this indictment; and thereupon they further find and present as follows:

That on December 30, 1919, the defendant deposited in the United States mails, from and at its general offices at Jersey City, in this District, and caused to be communicated to the Gilbert Grocery Co., wholesale grocers at Portsmouth, Ohio, a letter dated December 30, 1919, calling attention to the failure of that company to adhere to the prescribed resale prices, and inviting a statement from that company that it would in future adhere to such prices, as follows:

Our attention has been called to a statement that you offered the Rowe Grocery Co. and R. V. Jones, both of Coalton, Ohio, during the week of December 15, Octagon Soap at \$7.65 per box. Believing that this may have been done entirely through error or oversight, if the above statement is correct, we are enclosing one of our current price

lists and would be pleased to hear from you in regard to same.

and thus the defendant procured and accepted from the said Gilbert Grocery Co. a statement that that company had instructed its salesmen to adhere to the prescribed resale prices, such statement being made in consideration and expectation of being furnished with the defendant's soap, in a letter dated January 8, 1920, addressed to the defendant, as follows:

In reply to yours of December 13, we have been waiting to answer your letter until we saw our Mr. Horton in regard to the price he made to R. V. Jones, Coalton, Ohio, during the week of December 15 of Octagon Soap of \$7.65 per box.

He states this was the prevailing price in that section at that time, but we understand that all jobbers are on list basis at the present time. We have instructed our salesmen not to shade any price of your product.

Yours truly,

THE GILBERT GROCERY CO.

and thereupon and thereafter the defendant furnished soap to the said Gilbert Grocery Co. in consideration of the said statement of that company that its salesmen were instructed to adhere to the prescribed resale prices.

And so the grand jurors, upon their oaths, do say that the defendant on and between December 30, 1919, and January 8, 1920, in the District of New Jersey, in the manner described in this count, unlawfully engaged in a combination in restraint of trade and commerce among the several States; against the peace and dignity of the United States, and contrary to the statute in such case made and provided.

Count Forty-eight.

The grand jurors here repeat and reallege, as fully as if here again set forth at length, all the charges and allegations contained

in the preceding counts of this indictment; and thereupon they further find and present as follows:

That on January 17, 1920, the defendant deposited in the United States mails, and at its general offices at Jersey City, in this District, and caused to be communicated to A. B. Bowman & Son, wholesale dealers at Mount Airy, North Carolina, a letter dated January 17, 1920, calling attention to the alleged failure of that company to adhere to the prescribed resale prices, and inviting a promise from that company to adhere to the prescribed resale prices in future, as follows:

"We are in receipt of complaint that you have offered Octagon Soap at \$7.50 per box in single box lots. We notice that your business is mostly retail. We have considered it as being against the best interests of this concern to have retailers purchase direct from us on this basis, unless they comply with the same policy upon which we offer our goods to the wholesale trade, viz: that the resale price to retailers shall be on the basis as designated upon our price list. We shall be pleased to hear from you in regard to the same."

and thus the defendant procured and accepted from the said A. B. Bowman & Son the promise of that company to adhere to the prescribed resale prices, such promise being given in consideration and expectation of being furnished with the defendant's soap, in a letter from that company addressed to the defendant, dated January 21, 1920, as follows:

"We give you our word that we maintain your price regardless of what anyone says."

And so the grand jurors, upon their oaths, do say that the defendant, on and between January 17, 1920, and January 21, 1920, in the District of New Jersey, in the manner described in this count, unlawfully engaged in a combination in restraint of trade and commerce among the several States; against the peace

and dignity of the United States, and contrary to the statute in such case made and provided.

Count Forty-nine.

The grand jurors here repeat and reallege, as fully as if here again set forth at length, all the charges and allegations contained in the preceding counts of this indictment; and thereupon they further find and present as follows:

That on January 17, 1920, the defendant deposited in the United States mails from and at its general offices at Jersey City, in this District, and caused to be communicated to the Morris Grocery Co., at Clarksburg, West Virginia, a letter dated January 17, 1920, calling the attention of that company to its alleged failure to adhere to the prescribed resale prices and inviting a promise and agreement from that company to adhere in future to the prescribed resale prices, as follows:

"Our attention has been called to the fact that you have been offering Octagon Soap at \$7.50 in Keyser during the week of January 5. Inasmuch as our price to the retail trade at the present time is \$8.15 per box, we shall be pleased to learn from you whether or not Octagon Soap has been sold by you at this price, and if so, if it was done through error or misunderstanding."

and thus the defendant procured and accepted from the said Morris Grocery Co. the written agreement of that company to adhere to the prescribed resale prices, such agreement being given in consideration of receiving soap from the defendant, in a letter from that company to the defendant dated January 23, 1920, as follows:

"We will appreciate your advising us if it is your desire and will that your price list be maintained in any and all territories. If it is, we will adhere strictly to it, but at the same time, we would like to request that you require other distributors to do likewise."

and thereupon the defendant accepted the said agreement of the Morris Grocery Co. to adhere to the prescribed resale prices, and specified that such agreement must apply and extend to all territories, and so notified the said Morris Grocery Co., in a letter from the defendant to that company dated January 23, 1920, which the defendant deposited in the mails on that day, and caused to be transmitted to the said Morris Grocery Co. as follows:

"We are in receipt of your letter dated January 23.

We appreciate your frank outline of your selling methods. Beg to advise, however, that our selling plan must extend to all and every territory."

And so the grand jurors, upon their oaths, do say that the defendant, on and between January 17, 1920, and January 28, 1920, in the District of New Jersey, in the manner described in this count, unlawfully engaged in a combination in restraint of trade and commerce among the several States; against the peace and dignity of the United States, and contrary to the statute in such case made and provided.

Count Fifty.

The grand jurors here repeat and reallege, as fully as if here again set forth at length, all the charges and allegations contained in the preceding counts of this indictment; and thereupon they further find and present as follows:

That the defendant on January 22, 1920, deposited in the United States mails from and at its general offices at Jersey City, in this District, and caused to be communicated to the Cowper Grocery Co., Inc., wholesale grocers at Norfolk, Virginia, a letter, dated January 22, 1920, calling the attention of that company to its alleged failure to adhere to the prescribed resale prices, and inviting a statement from that company concerning the maintenance of the prescribed resale prices, as follows:

"Our attention has been called to the fact that you are

quoting our Octagon Soap at \$7.75 per box. We are enclosing our price list which is the current price on Octagon Soap, and we will be pleased to hear from you in regard to whether or not you have made other quotations through misunderstanding."

and the defendant thus procured and accepted from the said Cowper Grocery Co., Inc., the assurance of that company that it would not in future fail to adhere to the prescribed resale prices, in consideration and expectation of being furnished with the defendant's soap, in a letter from that company addressed to and received by the defendant, dated January 28, 1920, as follows:

"We are in receipt of yours of the 22nd and note same carefully. . . . We wish to assure you gentlemen that we have no desire whatever to cut your prices on this soap, and have not done so since our attention was called to the fact and will not do so again without your permission."

and thereupon and thereafter the defendant furnished soap to the said Cowper Grocery Co., Inc., in consideration of the said promise of that company to adhere to the prescribed resale prices.

And so the grand jurors, upon their oaths, do say that the defendant on and between January 22, 1920, and January 28, 1920, and shortly thereafter, in the District of New Jersey, in the manner described in this count, unlawfully engaged in a combination in restraint of trade and commerce among the several States; against the peace and dignity of the United States, and contrary to the statute in such case made and provided.

Count Fifty-one.

The grand jurors here repeat and reallege, as fully as if here again set forth at length, all the charges and allegations contained in the preceding counts of this indictment; and thereupon they further find and present as follows:

That, on March 1, 1920, the defendant sent out from its gen-

eral offices at Jersey City in this District, and there caused to be deposited in the United States mails, and caused to be communicated to the jobbers and wholesale dealers in its soap throughout the country, the following notice of further advances in prices from the defendant to the jobbers and wholesale dealers, and of further advances in the prescribed resale prices from the latter to the retail dealers, and of an "understanding" that the policy of Colgate & Company in regard to resale prices, in preceding counts of this indictment set forth, should remain unchanged and upon the understanding, express or implied, that the prescribed resale prices should apply and that the defendant would consider those who failed to adhere to such prices as "undesirable customers":

(Letterhead of Colgate & Company)

March 1, 1920.

GENTLEMEN:

Effective to-day and subject to be withdrawn without notice, the price of OCTAGON SOAP POWDER, special 5c size, 72 packages, is advanced as follows:

Cost to Jobber	To Retailers	Quantity	Price
	Unit Price	10 Boxes	
	1 Box	or Over	
\$2.65	\$2.95		\$2.88

Yours very truly,

COLGATE & Co.

LMcD-EMT.

and the defendant thereupon and thereafter furnished its soap to jobbers and wholesale dealers throughout the United States upon the understanding set forth in its said letter of March 1, 1920, that the jobbers and wholesale dealers would adhere to the prescribed resale prices, and in consideration of the understanding and agreement on the part of such jobbers and wholesale dealers that they would so adhere; and the said jobbers and wholesale dealers did thereupon generally and uniformly adhere to the prescribed resale prices.

And so the grand jurors, upon their oaths, do say that Colgate & Company, a corporation, on and after March 1, 1920, in the manner described in this count, in the District of New Jersey, unlawfully engaged in a combination in restraint of trade and commerce among the several States; against the peace and dignity of the United States, and contrary to the statute in such case made and provided.

Count Fifty-two.

The grand jurors here repeat and reallege, as fully as if here again set forth at length, all the charges and allegations contained in the preceding counts of this indictment; and thereupon they further find and present as follows:

That, on March 5, 1920, the defendant sent out from its general offices at Jersey City in this district, and there caused to be deposited in the United States mails and caused to be communicated to the jobbers and wholesale dealers in its soap throughout the country, the following notice with respect to the policy of the defendant in the matter of prices and with respect to the prescribed resale prices from the jobbers and wholesale dealers to the retail dealers, of an "understanding" that the policy of Colgate & Company in regard to resale prices, in preceding counts of this indictment set forth, should remain unchanged, and upon the understanding, express or implied, that the prescribed resale prices should apply and that the defendant would consider those who failed to adhere to such prices as "undesirable customers."

(Letterhead of Colgate & Company)

March 5, 1920.

GENTLEMEN:

During the past few months we have had repeated requests from jobbers for a quantity price (at which they might meet competition with other manufacturers of soap) when soliciting business from retailers on our laundry soaps and powders.

The complaints of price cutting have increased very much and although we have recently closed the account of

several score of our customers, there seems to be a decided tendency to make sales at prices below our list.

Therefore, our goods may be offered to the retail trade in the future at prices shown on the enclosed list and we desire to call special attention to the fact that dealers may select ten boxes assorted of our soaps and powders to secure the quantity prices mentioned.

We shall continue to select our customers only from those who prefer to sell at our suggested prices.

On and after this date we will guarantee prices to jobbers *until ten days after date of arrival.*

Yours very truly,

COLGATE & Co.

LMcD-EMT.

and the defendant thereupon and thereafter furnished its soap to jobbers and wholesale dealers throughout the United States upon the understanding set forth in its said letter of March 5, 1920, that the jobbers and wholesale dealers would adhere to the prescribed resale prices, and in consideration of the understanding and agreement on the part of such jobbers and wholesale dealers that they would so adhere; and the said jobbers and wholesale dealers did thereupon generally and uniformly adhere to the prescribed resale prices.

And so the grand jurors, upon their oaths, do say that Colgate & Company, a corporation, on and after March 5, 1920, in the manner described in this count, in the district of New Jersey, unlawfully engaged in a combination in restraint of trade and commerce among the several States; against the peace and dignity of the United States and contrary to the statute in such case made and provided.

Count Fifty-three.

The grand jurors here repeat and reallege, as fully as if here again set forth at length, all the charges and allegations contained in the preceding counts of this indictment:

That, on March 5, 1920, the defendant sent out from its gen-

eral offices at Jersey City in this District, and there caused to be deposited in the United States mails and caused to be communicated to the jobbers and wholesale dealers in its soap throughout the country, the following notice with respect to the policy of the defendant in the matter of prices and with respect to the prescribed resale prices from the jobbers and wholesalers to the retail dealers, of an "understanding," that the policy of Colgate & Company in regard to resale prices, in preceding counts of this indictment set forth, should remain unchanged, and upon the understanding, express or implied, that the prescribed resale prices should apply and that the defendant would consider those who failed to adhere to such prices as "undesirable customers":

(Letterhead of Colgate & Co.)

March 5, 1920.

DEAR SIR:

We are enclosing a letter which we are sending to all of our direct customers today.

Although it may be somewhat more difficult to protect two prices than a single price, you will be able to meet competition a great deal more successfully with a quantity price on our soaps and powders than heretofore. We have had to close the accounts of so many jobbers recently that it seems to be necessary to give them a selling price for Octagon and Bee Soap in quantities at \$8.00, which seems to be the price at which most of the cutting is done.

These new prices, together with the guarantee to jobbers UNTIL TEN DAYS AFTER ARRIVAL, ought to stimulate business very considerably and we have every reason to believe that we are going to have a good, big business in March and April.

The market is firm enough for us to feel assured that there will be no reduction in price in the immediate future and we want our salesmen to understand that our guarantee of prices ten days after arrival has no bearing on any anticipation of a reduction. We simply want to be in line with the great majority of our competitors in this respect and feel that the jobbers who are regular carload buyers should be

protected at least to that extent, which gives them a little time to unload after the order is placed.

Yours very truly,

LMcD-EMT.

COLGATE & Co.

and the defendant thereupon and thereafter furnished its soap to jobbers and wholesale dealers throughout the United States upon the understanding set forth in its said letter of March 5, 1920, that the jobbers and wholesale dealers would adhere to the prescribed resale prices, and in consideration of the understanding and agreement on the part of such jobbers and wholesale dealers that they would so adhere; and the said jobbers and wholesale dealers did thereupon generally and uniformly adhere to the prescribed resale prices.

And so the grand jurors, upon their oaths, do say that Colgate & Company, a corporation, on and after March 5, 1920, in the manner described in this count, in the District of New Jersey, unlawfully engaged in a combination in restraint of trade and commerce among the several States; against the peace and dignity of the United States, and contrary to the statute in such case made and provided.

Count Fifty-four.

The grand jurors here repeat and reallege, as fully as if here again set forth at length, all the charges and allegations contained in the preceding counts of this indictment; and thereupon they further find and present as follows:

That on March 5, 1920, the defendant, from and at its general offices at Jersey City in this District, deposited in the United States mails and caused to be communicated to West Point Wholesale Grocery Co., at West Point, Georgia, and to other wholesale dealers and jobbers, a letter concerning the maintenance of the prescribed resale prices, and thus procured and accepted from the said West Point Wholesale Grocery Co. the promise of that company to adhere in future to the prescribed resale prices, in a letter from that company to the defendant, dated March 8, 1920, as follows:

"We have your circular letter issued March 5.

In reference to the price cutting we want to give you our assurance that we will under no conditions deviate from your respective price lists furnished."

And so the grand jurors, upon their oaths, do say that the defendant, on and about March 5, 1920, and March 8, 1920, in the District of New Jersey, in the manner described in this count, unlawfully engaged in a combination in restraint of trade and commerce among the several states; against the peace and dignity of the United States, and contrary to the statute in such case made and provided.

Count Fifty-five.

The grand jurors here repeat and reallege, as fully as if here again set forth at length, all the charges and allegations contained in the preceding counts of this indictment; and thereupon they further find and present as follows:

That on March 11, 1920, the defendant from and at its general offices at Jersey City in this District, deposited in the United States mails, and caused to be communicated to Layton & Layton, Inc., at Georgetown, Delaware, a letter dated March 11, 1920, calling attention to the alleged failure of that company to adhere to the prescribed resale prices, and threatening to discontinue furnishing soap to that company, as follows:

"We merely call attention to this, as with our new scale of prices, in which we give both unit price and quantity price, we shall perhaps be more alert than ever in regard to our selling plan.

Owing to past pleasant relationship we would very much prefer if possible to continue selling our goods to Messrs. Layton & Layton."

and thus the defendant procured and accepted from the said Layton & Layton, Inc., the promise of that company to adhere

in future to the prescribed resale prices, in a letter from that company to the defendant, as follows:

"We have your esteemed favor and note contents of the 11th. We are selling Octagon Soap at \$8.15 and will hold to this price till changed, except those orders our salesmen have taken for future delivery when we were laboring under the impression we could sell for \$7.85."

And so the grand jurors, upon their oaths, do say that the defendant on and about March 11, 1920, and shortly thereafter, in the District of New Jersey, in the manner described in this count, unlawfully engaged in a combination in restraint of trade and commerce among the several States; against the peace and dignity of the United States, and contrary to the statute in such case made and provided.

Count Fifty-six.

The grand jurors here repeat and reallege, as fully as if here again set forth at length, all the charges and allegations contained in the preceding counts of this indictment, and thereupon they further find and present as follows:

That frequently and repeatedly, throughout the period of time covered by the aforesaid transactions, the defendant, through its responsible officers, proclaimed in the public press, and in circular letters and advertisements throughout the United States, that it never had any agreements with jobbers or wholesale dealers in its soap that they should adhere to the resale prices prescribed by the defendant, so as to secure by such proclamations support for the defendant's plan of maintaining resale prices as being lawful; but the defendant, throughout the period aforesaid, did, in fact continuously, systematically and deliberately, both at its general offices at Jersey City, and through its selling agents and representatives throughout the United States, acting pursuant to the instructions to them set forth above in counts twenty-nine and forty, procure and accept great numbers of agreements, written and oral, such as those set forth in the letters hereinabove quoted,

from the wholesale dealers and jobbers throughout the country, to adhere to the prescribed resale prices, the instances of such agreements, in addition to those hereinabove set forth, being entirely too numerous to be set forth in this indictment.

And so, the grand jurors, upon their oaths, do say that the defendant, within the period of three years next preceding this indictment, in the District of New Jersey, and throughout the United States, in the manner prescribed in this count, unlawfully engaged in a combination in restraint of trade and commerce among the several States; against the peace and dignity of the United States, contrary to the statute in such case made and provided.

JOSEPH L. BODINE,
United States Attorney,
District of New Jersey.

March 24, 1920.